

108TH CONGRESS  
1ST SESSION

# S. 1443

To amend part A of title IV of the Social Security Act to reauthorize the temporary assistance to needy families program, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 22 (legislative day, JULY 21), 2003

Mr. CARPER (for himself, Mr. NELSON of Nebraska, and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend part A of title IV of the Social Security Act to reauthorize the temporary assistance to needy families program, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

### 3   **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Building on Welfare  
5   Success Act of 2003”.

### 6   **SEC. 2. TABLE OF CONTENTS.**

7       The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
- Sec. 4. Findings.

## TITLE I—WORK

- Sec. 101. Increase in minimum participation rates.
- Sec. 102. Increase in number of hours required for work and work-related activities.
- Sec. 103. Treatment of rehabilitative services as an additional work activity.
- Sec. 104. Education and training.
- Sec. 105. Authority to establish parents as scholars programs.
- Sec. 106. Replacement of caseload reduction credit with employment credit.
- Sec. 107. Elimination of separate work participation rate for 2-parent families.
- Sec. 108. State option to count a caregiver of a family member with a disability or chronic illness as engaged in work.

## TITLE II—FAMILY PROMOTION AND SUPPORT

## Subtitle A—Family Formation Fund and Teen Pregnancy Prevention Grants

- Sec. 201. Promotion of family formation.
- Sec. 202. Ban on imposition of stricter eligibility criteria for 2-parent families.
- Sec. 203. Teen pregnancy prevention grants.
- Sec. 204. Teen pregnancy prevention resource center.
- Sec. 205. Establishing national goals to prevent teen pregnancy.

## Subtitle B—Child Support Distribution to Families First

## CHAPTER 1—DISTRIBUTION OF CHILD SUPPORT

- Sec. 211. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.

## CHAPTER 2—EXPANDED ENFORCEMENT

- Sec. 221. Decrease in amount of child support arrearage triggering passport denial.
- Sec. 222. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
- Sec. 223. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.
- Sec. 224. Mandatory review and adjustment of child support orders for families receiving TANF.
- Sec. 225. Improved interstate enforcement.

## CHAPTER 3—MISCELLANEOUS

- Sec. 231. Report on undistributed child support payments.
- Sec. 232. Use of new hire information to assist in administration of unemployment compensation programs.
- Sec. 233. Immigration provisions.
- Sec. 234. Increase in payment rate to States for expenditures for short-term training of staff of certain child welfare agencies.

## Subtitle C—Responsible Fatherhood

- Sec. 241. Responsible fatherhood grants.
- Sec. 242. National clearinghouse for responsible fatherhood programs.
- Sec. 243. Block grants to States to encourage media campaigns.

## TITLE III—STATE FLEXIBILITY

- Sec. 301. State option to assist legal immigrant families.
- Sec. 302. Optional coverage of legal immigrants under the medicaid program and title XXI.
- Sec. 303. 5-year extension and simplification of the transitional medical assistance program (TMA).
- Sec. 304. Definition of assistance.
- Sec. 305. Clarification of authority of States to use TANF funds carried over from prior years to provide TANF benefits and services.
- Sec. 306. Authority to use TANF funds for housing benefits.

#### TITLE IV—RESOURCES AND ACCOUNTABILITY

- Sec. 401. Reauthorization of State family assistance grants.
- Sec. 402. Reauthorization of supplemental grants for population increases.
- Sec. 403. Contingency fund.
- Sec. 404. Child care.
- Sec. 405. Restoration of funding for the social services block grant.
- Sec. 406. Competitive grants for public-private partnerships for educational opportunities for career advancement.
- Sec. 407. Grants to improve access to transportation.
- Sec. 408. Pathway to self-sufficiency grants to improve coordination of assistance for low-income families.
- Sec. 409. Transitional jobs programs.
- Sec. 410. GAO study on impact of ban on SSI benefits for legal immigrants.
- Sec. 411. Ensuring TANF funds are not used to displace public employees; application of workplace laws to welfare recipients.
- Sec. 412. Data collection and reporting.

#### TITLE V—MISCELLANEOUS

- Sec. 501. Effective date.

### 1 **SEC. 3. REFERENCES.**

2       Except as otherwise expressly provided, wherever in  
 3 this Act an amendment or repeal is expressed in terms  
 4 of an amendment to, or repeal of, a section or other provi-  
 5 sion, the amendment or repeal shall be considered to be  
 6 made to a section or other provision of the Social Security  
 7 Act.

### 8 **SEC. 4. FINDINGS.**

9       Congress makes the following findings:

- 10           (1) The Personal Responsibility and Work Op-  
 11       portunity Reconciliation Act of 1996 (Public Law

1       104–193; 110 Stat. 2105) was a fundamental  
2       change to reform the Federal welfare system to shift  
3       it from an entitlement program into a transition  
4       program to help families move from welfare to work  
5       and personal responsibility.

6           (2) Since enactment of the 1996 welfare reform  
7       law, welfare cash assistance caseloads have dropped  
8       dramatically, by approximately 50 percent, and ap-  
9       proximately  $\frac{2}{3}$  of welfare recipients who have left  
10      the cash assistance rolls have left for work.

11          (3) Another sign of reform and progress is that  
12      funding has shifted from providing monthly cash as-  
13      sistance for parents to stay at home to over  $\frac{1}{2}$  of  
14      the funding targeted to pay for work supports, such  
15      as child care, transportation, job placement, limited  
16      job training, or other priorities.

17          (4) Investments in child care and transpor-  
18      tation, and health care access will help continue this  
19      success and move more people from welfare to work.

20          (5) While many families have moved from wel-  
21      fare to work, many families struggle in low-wage  
22      jobs and have trouble getting promised supports  
23      such as medicaid, child care, food stamps, and other  
24      supports available under programs intended to help  
25      families.

1           (6) Child poverty rates in the United States  
2           have improved but they could be lower and they re-  
3           main high when compared to the rates of other de-  
4           veloped countries. More must be done to reduce child  
5           poverty in our Nation.

6           (7) State flexibility has been critical to the suc-  
7           cess of the 1996 welfare reform law and will be im-  
8           portant for States to provide a broad range of serv-  
9           ices to address parents on welfare with barriers to  
10          employment. State flexibility also is important for  
11          States to continue successful welfare programs that  
12          have cut the caseload in half since 1996.

13          (8) Children deserve to be raised in supportive  
14          homes, preferably with 2 loving parents. It is crucial  
15          to end policies that discriminate against serving 2-  
16          parent families within the welfare system. It is also  
17          important to support innovative programs to encour-  
18          age full participation in child support and child  
19          rearing by noncustodial parents.

20          (9) Despite declining national and State rates,  
21          35 percent of girls in the United States get pregnant  
22          at least once by age 20, nearly 900,000 girls get  
23          pregnant each year, and there are nearly 500,000  
24          teen births each year. The national teen birth rate

1 for Hispanic teen girls—the fastest growing group—  
 2 is declining the slowest.

3 (10) If teen birth rates had stayed at the 1991  
 4 peak level, there would have been at least 800,000  
 5 additional babies born to teenagers.

## 6 **TITLE I—WORK**

### 7 **SEC. 101. INCREASE IN MINIMUM PARTICIPATION RATES.**

8 The table set forth in section 407(a)(1) (42 U.S.C.  
 9 607(a)(1)) is amended—

10 (1) in the item relating to fiscal year 2002—

11 (A) by striking “or thereafter” and insert-  
 12 ing “2003, or 2004”; and

13 (B) by striking the period; and

14 (2) by adding at the end the following:

“2005 .....	55
2006 .....	60
2007 .....	65
2008 or thereafter .....	70.”.

### 15 **SEC. 102. INCREASE IN NUMBER OF HOURS REQUIRED FOR** 16 **WORK AND WORK-RELATED ACTIVITIES.**

17 Section 407(c)(1) (42 U.S.C. 607(c)(1)), as amended  
 18 by section 107(3), is amended—

19 (1) in the matter preceding the table set forth  
 20 in that paragraph, by striking “20 hours” and in-  
 21 serting “24 hours”; and

22 (2) in the table—

1 (A) in the item relating to fiscal year  
 2 2000, by striking “or thereafter” and inserting  
 3 “, 2001, 2002, or 2003”;

4 (B) by striking the period at the end; and

5 (C) by adding at the end the following:

2004 or thereafter ..... 32.”.

6 **SEC. 103. TREATMENT OF REHABILITATIVE SERVICES AS**  
 7 **AN ADDITIONAL WORK ACTIVITY.**

8 (a) IN GENERAL.—Section 407(d) (42 U.S.C.  
 9 607(d)) is amended—

10 (1) in paragraph (11), by striking “and” at the  
 11 end;

12 (2) in paragraph (12), by striking the period  
 13 and inserting “; and”; and

14 (3) by adding at the end the following:

15 “(13)(A) rehabilitative services, such as adult  
 16 basic education, participation in a program designed  
 17 to increase proficiency in the English language, or,  
 18 in the case of an individual determined by a quali-  
 19 fied medical, mental health, or social services profes-  
 20 sional as having a physical or mental disability, sub-  
 21 stance abuse problem, or other problem that requires  
 22 rehabilitative services, substance abuse treatment,  
 23 mental health treatment, or other rehabilitative serv-  
 24 ices, provided that the provision of such services is  
 25 a requirement of the individual’s individual responsi-

1 bility plan under section 408(b) (not to exceed 3  
 2 months out of any 24-month period, or, if such serv-  
 3 ices for a longer period of time is a requirement of  
 4 the individual’s plan under section 408(b), up to 6  
 5 months, but only if, during the last 3 months of  
 6 such 6 months, such services are combined with  
 7 work or job-readiness activities); and

8 “(B) for purposes of counting toward the min-  
 9 imum average number of hours per week specified in  
 10 subsection (c)(1), services described in subparagraph  
 11 (A), the provision of which is a requirement of the  
 12 individual’s individual responsibility plan under sec-  
 13 tion 408(b), until an individual successfully com-  
 14 pletes such services (and without regard to the time  
 15 limits for the receipt of such services for purposes of  
 16 subparagraph (A)).”.

17 (b) CONFORMING AMENDMENTS.—Section 407(c)(1)  
 18 (42 U.S.C. 607(c)(1)), as amended by sections 102 and  
 19 107(3), is amended by striking “or (12)” and inserting  
 20 “(12), or (13)(A)”.

21 **SEC. 104. EDUCATION AND TRAINING.**

22 (a) INCREASE IN MONTHS FOR VOCATIONAL EDU-  
 23 CATIONAL TRAINING TO COUNT AS A WORK ACTIVITY.—  
 24 Section 407(d)(8) is amended to read as follows:



1           “(8) vocational educational training (not to ex-  
2           ceed 24 months with respect to any individual);”.

3           (b) STATE OPTION TO TREAT PARTICIPANTS IN  
4 POSTSECONDARY EDUCATION PROGRAM ESTABLISHED  
5 BY THE STATE AS ENGAGED IN WORK.—Section  
6 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by adding at  
7 the end the following:

8                   “(E) STATE OPTION TO TREAT PARTICI-  
9                   PANTS IN POSTSECONDARY EDUCATION PRO-  
10                   GRAM ESTABLISHED BY THE STATE AS EN-  
11                   GAGED IN WORK.—In the case of a State that  
12                   elects to establish a postsecondary education  
13                   program under section 404(l), the State may  
14                   include, for purposes of determining monthly  
15                   participation rates under subsection  
16                   (b)(1)(B)(i), all families that include an indi-  
17                   vidual participating in such program during the  
18                   month as being engaged in work for the month,  
19                   so long as each such individual is in compliance  
20                   with the requirements of that program.”.

21           (c) ELIMINATION OF RECIPIENTS COMPLETING SEC-  
22 ONDARY SCHOOL FROM LIMIT ON NUMBER OF TANF  
23 RECIPIENTS PARTICIPATING IN VOCATIONAL EDU-  
24 CATIONAL TRAINING.—

(1) IN GENERAL.—Section 407(c)(2)(D) (42 U.S.C. 607(c)(2)(D)) is amended to read as follows:

“(D) LIMITATION ON NUMBER OF PERSONS WHO MAY BE TREATED AS ENGAGED IN WORK BY REASON OF PARTICIPATION IN VOCATIONAL EDUCATIONAL TRAINING.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), not more than 30 percent of the number of individuals in all families in a State who are treated as engaged in work for a month may consist of individuals who are determined to be engaged in work for the month by reason of participation in vocational educational training (determined without regard to individuals described in subparagraph (C) or participating in a program referred to in subparagraph (E)).”.

(2) CONFORMING AMENDMENT.—Section 407(c)(2)(C)(ii) (42 U.S.C. 607(c)(2)(C)(ii)) is amended by inserting “including vocational educational training” after “employment”.

**SEC. 105. AUTHORITY TO ESTABLISH PARENTS AS SCHOLARS PROGRAMS.**

Section 404 (42 U.S.C. 604) is amended by adding at the end the following:

1       “(1) AUTHORITY TO ESTABLISH PARENTS AS SCHOL-  
2   ARS PROGRAMS.—

3           “(1) IN GENERAL.—A State to which a grant  
4       is made under section 403 may use the grant to es-  
5       tablish a parents as scholars program under which  
6       an eligible participant may be provided support serv-  
7       ices described in paragraph (4) based on the partici-  
8       pant’s need in order to complete the program.

9           “(2) DEFINITION OF ELIGIBLE PARTICIPANT.—

10          “(A) IN GENERAL.—In this subsection, the  
11       term ‘eligible participant’ means an individual  
12       who receives assistance under the State pro-  
13       gram funded under this part and satisfies the  
14       following requirements:

15           “(i) The individual is enrolled as a  
16       full-time student in a postsecondary 2- or  
17       4-year degree program.

18           “(ii) The individual does not have a  
19       marketable bachelor’s degree.

20           “(iii) The individual does not have the  
21       skills necessary to earn at least 85 percent  
22       of the median wage for the State or local-  
23       ity in which the individual resides.

24           “(iv) The individual is—

1                   “(I) pursuing a degree that will  
2                   improve the individual’s ability to sup-  
3                   port the individual’s family, consid-  
4                   ering the local labor market and em-  
5                   ployment opportunities; and

6                   “(II) demonstrating an ability to  
7                   succeed in the educational program  
8                   that has been chosen.

9                   “(v) The individual participates in a  
10                  combination of education, training, study  
11                  or worksite experience for an average of  
12                  not less than 20 hours per week (including  
13                  time spent studying at 150 percent of time  
14                  spent in class).

15                  “(vi) After the first 24 months of par-  
16                  ticipation in the program, the individual—

17                         “(I) works not less than 15 hours  
18                         per week (in addition to school and  
19                         study time); or

20                         “(II) engages in a combination of  
21                         class hours, study hours (including  
22                         time spent studying at 150 percent of  
23                         time spent in class) and work for a  
24                         total of not less than 32 hours per  
25                         week.

1 “(vii) During the period the individual  
 2 participates in the program, the indi-  
 3 vidual—

4 “(I) maintains not less than a  
 5 2.0 grade point average;

6 “(II) attends classes as sched-  
 7 uled;

8 “(III) reports to the individual’s  
 9 caseworker for the program any  
 10 changes that might affect the individ-  
 11 ual’s participation;

12 “(IV) provides the individual’s  
 13 caseworker with a copy of any finan-  
 14 cial aid award letters; and

15 “(V) provides the individual’s  
 16 caseworker with the individual’s se-  
 17 mester grades as requested.

18 “(B) DEFINITION OF FULL-TIME STU-  
 19 DENT.—

20 “(i) IN GENERAL.—For purposes of  
 21 subparagraph (A)(i), an individual shall be  
 22 considered a full-time student if such indi-  
 23 vidual is taking courses having the number  
 24 of hours needed under the requirements of  
 25 the educational institution in which the in-

dividual is enrolled, to complete the requirements of a degree within the usual timeframe of 2 or 4 years, as applicable.

“(ii) EXCEPTION.—The State may, for good cause, modify the number of hours required under clause (i) to allow additional time, not to exceed 150 percent of the usual timeframe required for completion of a 2- or 4-year degree, for an individual to complete a degree and be considered a full-time student under a program established under this subsection.

“(3) MODIFICATION OF ELIGIBLE PARTICIPANT REQUIREMENTS.—A State may, for good cause, modify the requirements for an eligible participant set forth in paragraph (2)(A).

“(4) SUPPORT SERVICES DESCRIBED.—For purposes of paragraph (1), the support services described in this paragraph include 1 or more of the following during the period the eligible participant is in the program established under this subsection:

“(A) Child care for children under age 13 or for children who are physically or mentally incapable of caring for themselves.

“(B) Transportation services, including—

1 “(i) mileage at a set rate per mile or  
 2 reimbursement for public or private trans-  
 3 portation;

4 “(ii) payment for automotive repairs,  
 5 not to exceed \$500 per academic year on  
 6 a vehicle registered to the eligible partici-  
 7 pant; and

8 “(iii) reimbursement for vehicle liabil-  
 9 ity insurance, not to exceed \$300, for the  
 10 eligible participant’s vehicle.

11 “(C) Payment for books and supplies to  
 12 the extent that such items are not covered by  
 13 grants and loans, not to exceed \$750 per aca-  
 14 demic year.

15 “(D) Such other expenses, not to exceed  
 16 \$500, that the State determines are necessary  
 17 for the eligible participant to complete the pro-  
 18 gram established under this subsection and that  
 19 are not covered by any other available support  
 20 services program.”.

21 **SEC. 106. REPLACEMENT OF CASELOAD REDUCTION CRED-**  
 22 **IT WITH EMPLOYMENT CREDIT.**

23 (a) EMPLOYMENT CREDIT TO REWARD STATES IN  
 24 WHICH FAMILIES LEAVE WELFARE FOR WORK; ADDI-

1 TIONAL CREDIT FOR FAMILIES WITH HIGHER EARN-  
 2 INGS.—

3 (1) IN GENERAL.—Section 407(b) (42 U.S.C.  
 4 607(b)), as amended by section 107(2)(A), is  
 5 amended by inserting after paragraph (1) the fol-  
 6 lowing:

7 “(2) EMPLOYMENT CREDIT.—

8 “(A) IN GENERAL.—The participation rate  
 9 determined under paragraph (1) of a State for  
 10 a fiscal year shall be increased by the lesser  
 11 of—

12 “(i) the number of percentage points  
 13 (if any) of the employment credit for the  
 14 State for the fiscal year; or

15 “(ii) the number of percentage points  
 16 (if any) by which the participation rate, so  
 17 determined, is less than 100 percent.

18 “(B) CALCULATION OF CREDIT.—

19 “(i) IN GENERAL.—The employment  
 20 credit for a State for a fiscal year is an  
 21 amount equal to—

22 “(I) twice the average quarterly  
 23 number of families with an adult that  
 24 ceased to receive assistance under the  
 25 State program funded under this part



1 during the preceding fiscal year (but  
2 only if the adult did not receive such  
3 assistance for at least 2 months after  
4 the cessation) and that was employed  
5 during the calendar quarter imme-  
6 diately succeeding the quarter in  
7 which the payments ceased; divided by

8 “(II) the average monthly num-  
9 ber of families that include an adult  
10 who received cash payments under the  
11 State program funded under this part  
12 during the preceding fiscal year.

13 “(ii) SPECIAL RULE FOR FORMER RE-  
14 CIPIENTS WITH HIGHER EARNINGS.—In  
15 calculating the employment credit for a  
16 State for a fiscal year, a family that, in the  
17 quarter in which the wage was examined,  
18 earned at least 50 percent of the average  
19 quarterly wage in the State (determined on  
20 the basis of State unemployment data)  
21 shall be considered to be 1.5 families.

22 “(C) REGULATIONS.—The Secretary may  
23 prescribe such regulations as may be necessary  
24 to carry out this paragraph.

1 “(D) REPORTS ON AMOUNT OF CREDIT.—

2 Not later than 6 months after the end of each  
3 calendar quarter, the Secretary shall report to  
4 Congress and each State the amount of the em-  
5 ployment credit for the State for the quarter.

6 The Secretary may carry out this subparagraph  
7 using funds made available under this part for  
8 research.”.

9 (2) AUTHORITY OF SECRETARY TO USE INFOR-  
10 MATION IN NATIONAL DIRECTORY OF NEW HIRES.—  
11 Section 453(i) (42 U.S.C. 653(i)) is amended by  
12 adding at the end the following:

13 “(5) CALCULATION OF EMPLOYMENT CREDIT  
14 FOR PURPOSES OF DETERMINING STATE WORK PAR-  
15 TICIPATION RATES UNDER TANF.—The Secretary  
16 may use the information in the National Directory  
17 of New Hires for purposes of calculating State em-  
18 ployment credits pursuant to section 407(b)(2).”.

19 (3) ELIMINATION OF CASELOAD REDUCTION  
20 CREDIT.—Section 407(b), as amended by paragraph  
21 (1) and section 107(2)(A), is amended by striking  
22 paragraph (3) and redesignating paragraphs (4) and  
23 (5) as paragraphs (3) and (4), respectively.

24 (b) STATES TO RECEIVE PARTIAL CREDIT TOWARD  
25 WORK PARTICIPATION RATE FOR RECIPIENTS ENGAGED

1 IN PART-TIME WORK.—Section 407(c)(1) (42 U.S.C.  
 2 607(c)(1)), as amended by section 107(3), is amended by  
 3 adding at the end the following flush sentence: “For pur-  
 4 poses of subsection (b)(1)(B)(i), a family that does not  
 5 include a recipient who is participating in work activities  
 6 for an average of 32 hours per week during a month but  
 7 includes a recipient who is participating in such activities  
 8 during the month for an average of at least 50 percent  
 9 of the minimum average number of hours per week speci-  
 10 fied for the month in the table set forth in this subpara-  
 11 graph shall be counted as a percentage of a family that  
 12 includes an adult or minor child head of household who  
 13 is engaged in work for the month, which percentage shall  
 14 be the number of hours for which the recipient partici-  
 15 pated in such activities during the month divided by the  
 16 number of hours of such participation required of the re-  
 17 cipient under this section for the month.”.

18 (c) TANF RECIPIENTS WHO QUALIFY FOR SUPPLE-  
 19 MENTAL SECURITY INCOME BENEFITS REMOVED FROM  
 20 WORK PARTICIPATION RATE CALCULATION FOR ENTIRE  
 21 YEAR.—Section 407(b)(1)(B)(ii) (42 U.S.C.  
 22 607(b)(1)(B)(ii)) is amended—

23 (1) in subclause (I), by inserting “who has not  
 24 become eligible for supplemental security income

1       benefits under title XVI during the fiscal year” be-  
 2       fore the semicolon; and

3               (2) in subclause (II), by inserting “, and that  
 4       do not include an adult or minor child head of  
 5       household who has become eligible for supplemental  
 6       security income benefits under title XVI during the  
 7       fiscal year” before the period.

8       (d) EFFECTIVE DATE.—The amendments made by  
 9       this section take effect on October 1, 2005.

10   **SEC. 107. ELIMINATION OF SEPARATE WORK PARTICIPA-**  
 11               **TION RATE FOR 2-PARENT FAMILIES.**

12       Section 407 (42 U.S.C. 607) is amended—

13               (1) in subsection (a)—

14                       (A) in the heading of paragraph (1), by  
 15               striking “ALL FAMILIES” and inserting “IN  
 16               GENERAL”; and

17                       (B) by striking paragraph (2);

18               (2) in subsection (b)—

19                       (A) by striking paragraph (2);

20                       (B) in paragraph (4), by striking “para-  
 21               graphs (1)(B) and (2)(B)” and inserting “para-  
 22               graph (1)(B)”; and

23                       (C) in paragraph (5), by striking “rates”  
 24               and inserting “rate”; and

25               (3) in subsection (c)(1)—

1 (A) by striking “GENERAL RULES.—” and  
 2 all that follows through “For purposes” in sub-  
 3 paragraph (A) and inserting “GENERAL  
 4 RULE.—For purposes”; and

5 (B) by striking subparagraph (B).

6 **SEC. 108. STATE OPTION TO COUNT A CAREGIVER OF A**  
 7 **FAMILY MEMBER WITH A DISABILITY OR**  
 8 **CHRONIC ILLNESS AS ENGAGED IN WORK.**

9 Section 407(c)(2) (42 U.S.C. 607(c)(2)) is amended  
 10 by adding at the end the following:

11 “(E) STATE OPTION TO COUNT A CARE-  
 12 GIVER OF A FAMILY MEMBER WITH A DIS-  
 13 ABILITY OR CHRONIC ILLNESS AS ENGAGED IN  
 14 WORK.—

15 “(i) IN GENERAL.—If a State deter-  
 16 mines that a recipient is needed to provide  
 17 care for a child with a physical or mental  
 18 disability or chronic illness (as defined by  
 19 the State), or an adult relative with a  
 20 physical or mental disability or chronic ill-  
 21 ness (as so defined), the State may deem  
 22 the recipient to be engaged in work for  
 23 purposes of determining the monthly par-  
 24 ticipation rate under subsection  
 25 (b)(1)(B)(i).

1                   “(ii) INCLUSION IN INDIVIDUAL RE-  
2                   SPONSIBILITY PLAN; ANNUAL REVIEW.—  
3                   The need to provide care described in  
4                   clause (i) shall be specified in the recipi-  
5                   ent’s individual responsibility plan estab-  
6                   lished under section 408(b) and reviewed  
7                   not less than annually.

8                   “(iii) ENGAGEMENT IN OTHER ACTIV-  
9                   ITY.—Nothing in clause (i) or (ii) shall be  
10                  construed as prohibiting a State from de-  
11                  termining that, taking into consideration  
12                  the needs of the child or adult relative with  
13                  a physical or mental disability or chronic  
14                  illness, an adult recipient who provides  
15                  care for such child or adult relative can en-  
16                  gage in some other additional work activ-  
17                  ity, or another activity that may lead to  
18                  work, for all or a portion of the time re-  
19                  quired to meet the work requirement under  
20                  the State program funded under this  
21                  part.”.

1     **TITLE II—FAMILY PROMOTION**  
2                     **AND SUPPORT**  
3     **Subtitle     A—Family     Formation**  
4         **Fund and Teen Pregnancy Pre-**  
5         **vention Grants**

6     **SEC. 201. PROMOTION OF FAMILY FORMATION.**

7         Section 403(a) (42 U.S.C. 603(a)) is amended by  
8     adding at the end the following:

9             “(6) FAMILY FORMATION GRANTS.—

10                 “(A) AUTHORITY.—

11                     “(i) IN GENERAL.—The Secretary  
12                     shall award competitive grants to States,  
13                     Indian tribes, nonprofit entities, and chari-  
14                     table or religious organizations for the cost  
15                     of developing and implementing healthy  
16                     marriage promotion programs.

17                     “(ii) APPLICATION.—A State, Indian  
18                     tribe, nonprofit entity, or a charitable or  
19                     religious organization desiring a grant  
20                     under this paragraph shall submit an ap-  
21                     plication to the Secretary at such time, in  
22                     such manner, and containing such infor-  
23                     mation as the Secretary may require.

24                     “(B) PERMISSIBLE ACTIVITIES.—Funds  
25                     provided under a grant awarded under this

1 paragraph may be used for programs or activi-  
2 ties that are designed to promote healthy and  
3 stable marriage, including the following:

4 “(i) Voluntary marriage and relation-  
5 ship skills education programs for nonmar-  
6 ried pregnant women and nonmarried ex-  
7 pectant fathers.

8 “(ii) Voluntary premarital education  
9 and marriage and relationship skills edu-  
10 cation for engaged couples and for couples  
11 interested in marriage.

12 “(iii) Voluntary marriage enhance-  
13 ment and marriage and relationship skills  
14 education programs for married couples in-  
15 cluding mediation services and couples  
16 counseling.

17 “(iv) Teen pregnancy prevention pro-  
18 grams, including the prevention of repeat  
19 pregnancies.

20 “(v) Domestic violence prevention pro-  
21 grams for training and technical assistance  
22 activities to be provided to other entities  
23 funded under this subparagraph.

24 “(C) GRANTS SELECTION CRITERIA.—



1           “(i) IN GENERAL.—The Secretary  
2 shall promulgate for public comment cri-  
3 teria for selecting grant proposals to be  
4 funded under subparagraph (B). Such cri-  
5 teria shall—

6                   “(I) set forth a grant review  
7 process that includes independent ex-  
8 perts, including individuals with ex-  
9 pertise in programs for low-income  
10 families, programs addressing teen  
11 pregnancy prevention, programs ad-  
12 dressing teen parenting or youth de-  
13 velopment, programs addressing do-  
14 mestic violence, program research,  
15 and program administration, and shall  
16 be designed to ensure that an indi-  
17 vidual shall not be involved in the  
18 grant selection process if such involve-  
19 ment would pose a conflict of interest  
20 for the individual;

21                   “(II) specify grantee qualifica-  
22 tions and requirements, including a  
23 requirement that grant applications  
24 provide financial information, includ-  
25 ing a copy of the applicant’s most re-

1 cent audit report, and shall require  
2 grantees to agree to maintain such  
3 records, make such reports, and co-  
4 operate with such reviews or audits as  
5 the Secretary may find necessary for  
6 purposes of oversight of project activi-  
7 ties and expenditures;

8 “(III) require grant proposals to  
9 identify community support and in-  
10 clude a plan to collaborate with appro-  
11 priate public and community-based or-  
12 ganizations and service providers; and

13 “(IV) require grant proposals to  
14 describe the methods the applicant  
15 plans to use to recruit project partici-  
16 pants and the applicant’s plan to  
17 evaluate project implementation, oper-  
18 ation, and outcomes, and to dem-  
19 onstrate that there is a sufficient  
20 number of potential participants to  
21 conduct the evaluation.

22 “(ii) OVERSIGHT OF EVALUATIONS.—

23 The Secretary shall ensure that there is an  
24 appropriate evaluation for all grant pro-  
25 posals funded under subparagraph (B), in-

1 including use of random assignment in ap-  
 2 propriate instances.

3 “(D) APPROPRIATION.—Out of any money  
 4 in the Treasury of the United States not other-  
 5 wise appropriated, there is appropriated for  
 6 making grants under this paragraph—

7 “(i) for fiscal year 2004, \$75,000,000;

8 “(ii) for fiscal year 2005,  
 9 \$100,000,000;

10 “(iii) for fiscal year 2006,  
 11 \$150,000,000;

12 “(iv) for fiscal year 2007,  
 13 \$175,000,000; and

14 “(v) for fiscal year 2008,  
 15 \$200,000,000.”.

16 **SEC. 202. BAN ON IMPOSITION OF STRICTER ELIGIBILITY**  
 17 **CRITERIA FOR 2-PARENT FAMILIES.**

18 (a) PROHIBITION.—Section 408(a) (42 U.S.C.  
 19 608(a)) is amended by adding at the end the following:

20 “(12) BAN ON IMPOSITION OF STRICTER ELIGI-  
 21 BILITY CRITERIA FOR 2-PARENT FAMILIES.—In de-  
 22 termining the eligibility of a 2-parent family for as-  
 23 sistance under a State program funded under this  
 24 part, the State shall not impose a requirement that

1 does not apply in determining the eligibility of a 1-  
 2 parent family for such assistance.”.

3 (b) PENALTY.—Section 409(a) (42 U.S.C. 609(a)) is  
 4 amended by adding at the end the following:

5 “(15) PENALTY FOR IMPOSITION OF STRICTER  
 6 ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—

7 “(A) IN GENERAL.—If the Secretary deter-  
 8 mines that a State to which a grant is made  
 9 under section 403 for a fiscal year has violated  
 10 section 408(a)(12) during the fiscal year, the  
 11 Secretary shall reduce the grant payable to the  
 12 State under section 403(a)(1) for the imme-  
 13 diately succeeding fiscal year by an amount  
 14 equal to 5 percent of the State family assist-  
 15 ance grant.

16 “(B) PENALTY BASED ON SEVERITY OF  
 17 FAILURE.—The Secretary shall impose reduc-  
 18 tions under subparagraph (A) with respect to a  
 19 fiscal year based on the degree of noncompli-  
 20 ance.”.

21 **SEC. 203. TEEN PREGNANCY PREVENTION GRANTS.**

22 Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended  
 23 to read as follows:

24 “(2) GRANTS TO PREVENT TEEN PREG-  
 25 NANCY.—

1 “(A) SUBMISSION OF PLAN.—

2 “(i) IN GENERAL.—Each State that  
3 submits a plan that meets the require-  
4 ments of clause (ii) shall be entitled to re-  
5 ceive from the Secretary a teen pregnancy  
6 prevention grant in the amount determined  
7 under subparagraph (B) for each of fiscal  
8 years 2004 through 2008.

9 “(ii) PLAN REQUIREMENTS.—A plan  
10 meets the requirements of this clause if the  
11 plan—

12 “(I) describes the State’s numer-  
13 ical goal for reducing teen pregnancy  
14 and teen births;

15 “(II) identifies the strategies to  
16 be used to achieve such goal; and

17 “(III) describes the efforts the  
18 State will make to involve young men,  
19 as well as young women, in delaying  
20 pregnancy and parenting.

21 “(iii) SET-ASIDE FOR GRANTS TO IN-  
22 DIAN TRIBES.—Not less than an amount  
23 equal to 1.5 percent of the amount appro-  
24 priated under subparagraph (G) for a fis-  
25 cal year shall be used for the purpose of

1           awarding grants to Indian tribes under  
2           this paragraph in such manner, and sub-  
3           ject to such requirements, as the Sec-  
4           retary, in consultation with such tribes, de-  
5           termines appropriate.

6           “(B) GRANT AMOUNT.—

7                 “(i) IN GENERAL.—The Secretary  
8           shall allot to each State with a plan ap-  
9           proved under subparagraph (A) an amount  
10          equal to—

11                 “(I) with respect to fiscal year  
12          2004, the amount that bears the same  
13          ratio to the amount of funds appro-  
14          priated under subparagraph (G) for  
15          such fiscal year as the proportion of  
16          births in the State to teens under age  
17          20 bears to the number of such births  
18          in all States; and

19                 “(II) with respect to each of fis-  
20          cal years 2005 through 2008, the  
21          amount that bears the same ratio to  
22          50 percent of the amount of funds ap-  
23          propriated under subparagraph (G)  
24          for each such fiscal year as the pro-  
25          portion of births in the State to teens

1 under age 20 bears to the number of  
2 such births in all States.

3 “(ii) INCENTIVE FUNDS.—In addition  
4 to the amount determined for a State  
5 under clause (i)(II), in the case of a State  
6 that is a high achieving State (as defined  
7 in clause (iii)), the Secretary shall allot to  
8 such high achieving State with respect to  
9 each of fiscal years 2005 through 2008,  
10 the amount that bears the same ratio to  
11 50 percent of the amount of funds appro-  
12 priated under subparagraph (G) for each  
13 such fiscal year as the proportion of teens  
14 under age 20 in the high achieving State  
15 bears to the number of such teens in all  
16 such high achieving States.

17 “(iii) DEFINITION OF HIGH ACHIEV-  
18 ING STATE.—In this paragraph, the term  
19 ‘high achieving State’ means a State that  
20 has achieved an annual decline in the teen  
21 birth rate for the State as compared to the  
22 preceding year (or the most recent year for  
23 which data is available) of at least 2.5 per-  
24 cent.

1                   “(iv) DETERMINATION OF TEEN  
 2 BIRTH RATES.—For purposes of this sub-  
 3 paragraph, the teen birth rate for a State  
 4 shall be determined on the basis of the  
 5 birth rate per 1,000 women, ages 15  
 6 through 19, who reside in the State.

7                   “(C) USE OF FUNDS.—

8                   “(i) IN GENERAL.—A State shall use  
 9 funds provided under a grant made under  
 10 this paragraph to implement teen preg-  
 11 nancy prevention strategies that—

12                   “(I) are abstinence-first, as de-  
 13 fined in clause (ii)(I);

14                   “(II) replicate or substantially in-  
 15 corporate the elements of 1 or more  
 16 teen pregnancy prevention programs,  
 17 including certain youth development  
 18 programs and service learning pro-  
 19 grams, that have been proven effective  
 20 (on the basis of rigorous scientific re-  
 21 search as defined in clause (ii)(III));

22                   “(III) delay or decrease sexual  
 23 activity, increase contraceptive use  
 24 among sexually active teens, or reduce



1 teenage pregnancies without increas-  
 2 ing risky behaviors; and

3 “(IV) incorporate outreach or  
 4 media programs.

5 “(ii) DESIGN AND IMPLEMENTATION  
 6 FLEXIBILITY.—States and Indian tribes  
 7 receiving a grant under this paragraph  
 8 shall have flexibility to determine how to  
 9 use funds made available under the grant  
 10 to design and implement the teen preg-  
 11 nancy prevention strategies described in  
 12 clause (i).

13 “(iii) DEFINITIONS.—In this para-  
 14 graph:

15 “(I) ABSTINENCE-FIRST.—The  
 16 term ‘abstinence-first’ means a strat-  
 17 egy that strongly emphasizes absti-  
 18 nence as the best and only certain  
 19 way to avoid pregnancy and sexually  
 20 transmitted infections and that dis-  
 21 cusses the scientifically proven effec-  
 22 tiveness, benefits, and limitations of  
 23 contraception and other approaches in  
 24 a manner that is medically accurate,  
 25 as defined in subclause (II).

1 “(II) MEDICALLY ACCURATE.—

2 The term ‘medically accurate’ means  
 3 information that is supported by re-  
 4 search recognized as accurate and ob-  
 5 jective by leading medical, psycho-  
 6 logical, psychiatric, or public health  
 7 organizations and agencies and, where  
 8 relevant, is published in a peer-re-  
 9 viewed journal (as defined by the  
 10 American Medical Association).

11 “(III) RIGOROUS SCIENTIFIC RE-  
 12 SEARCH.—The term ‘rigorous sci-  
 13 entific research’ means research that  
 14 typically uses randomized control  
 15 trials and other similar strong experi-  
 16 mental designs.

17 “(D) SUBGRANT OR CONTRACT RECIPI-  
 18 ENTS.—A State to which a grant is made under  
 19 this paragraph for a fiscal year may award sub-  
 20 grants or contracts to—

21 “(i) State or local nonprofit coalitions  
 22 working to prevent teenage pregnancy;

23 “(ii) State, local, or tribal agencies;

24 “(iii) schools;

1 “(iv) entities that provide after school  
2 programs;

3 “(v) nonprofit community or faith-  
4 based organizations; or

5 “(vi) other organizations designated  
6 by the State.

7 “(E) SUPPLEMENTATION OF FUNDS.—A  
8 State to which a grant is made under this para-  
9 graph for a fiscal year shall use funds provided  
10 under the grant to supplement and not sup-  
11 plant funds that would otherwise be available to  
12 the State for preventing teen pregnancy.

13 “(F) DATA REPORTING.—A State to which  
14 a grant is made under this paragraph for a fis-  
15 cal year shall cooperate with the Secretary to  
16 collect information and report on outcomes of  
17 programs funded under the grant, as specified  
18 by the Secretary.

19 “(G) APPROPRIATION.—Out of any money  
20 in the Treasury of the United States not other-  
21 wise appropriated, there are appropriated for  
22 making grants under this paragraph—

23 “(i) for fiscal year 2004, \$50,000,000;  
24 and

1 “(ii) for each of fiscal years 2005  
2 through 2008, \$100,000,000.”.

3 **SEC. 204. TEEN PREGNANCY PREVENTION RESOURCE CEN-**  
4 **TER.**

5 (a) AUTHORITY TO ESTABLISH.—

6 (1) IN GENERAL.—The Secretary of Health and  
7 Human Services (in this section referred to as the  
8 “Secretary”) shall make a grant to a nationally rec-  
9 ognized, nonpartisan, nonprofit organization that  
10 meets the requirements described in paragraph (2)  
11 to establish and operate a national teen pregnancy  
12 prevention resource center (in this section referred  
13 to as the “Resource Center”) to carry out the pur-  
14 poses and activities described in subsection (b).

15 (2) CONTRACTOR REQUIREMENTS.—The re-  
16 quirements described in this paragraph are the fol-  
17 lowing:

18 (A) The organization has at least 7 years  
19 of experience in working with diverse sectors of  
20 society to reduce teen pregnancy.

21 (B) The organization has a demonstrated  
22 ability to work with and provide assistance to a  
23 broad range of individuals and entities, includ-  
24 ing teens, parents, the entertainment and news  
25 media, State, tribal, and local organizations,

1 networks of teen pregnancy prevention practi-  
 2 tioners, businesses, faith and community lead-  
 3 ers, and researchers.

4 (C) The organization is research-based and  
 5 has capabilities in scientific analysis and eval-  
 6 uation.

7 (D) The organization has comprehensive  
 8 knowledge and data about teen pregnancy pre-  
 9 vention strategies.

10 (E) The organization has experience car-  
 11 rying out activities similar to the activities de-  
 12 scribed in subsection (b)(2).

13 (b) PURPOSES AND ACTIVITIES.—

14 (1) PURPOSES.—The purposes of the Resource  
 15 Center are to—

16 (A) provide information and technical as-  
 17 sistance to States, Indian tribes, local commu-  
 18 nities, and other public or private organizations  
 19 seeking to reduce rates of teen pregnancy;

20 (B) support parents in their essential role  
 21 in preventing teen pregnancy by equipping par-  
 22 ents with information and resources to promote  
 23 and strengthen communication with their chil-  
 24 dren; and

1 (C) assist the entertainment media indus-  
2 try by providing information and helping that  
3 industry develop content and messages for teens  
4 and adults that can help prevent teen preg-  
5 nancy.

6 (2) ACTIVITIES.—The Resource Center shall  
7 carry out the purposes described in paragraph (1)  
8 through the following activities:

9 (A) Synthesizing and disseminating re-  
10 search and information regarding effective and  
11 promising practices to prevent teen pregnancy.

12 (B) Developing and providing information  
13 on how to design and implement effective pro-  
14 grams to prevent teen pregnancy.

15 (C) Helping States, local communities, and  
16 other organizations increase their knowledge of  
17 existing resources that can be used to advance  
18 teen pregnancy prevention efforts, build their  
19 capacity to access such resources, and develop  
20 partnerships with other programs and funding  
21 streams.

22 (D) Linking organizations working to re-  
23 duce teen pregnancy with experts and peer  
24 groups, including the creation of technical as-  
25 sistance networks.

1           (E) Providing consultation and resources  
2           on how to reduce teen pregnancy through a  
3           broad array of strategies, including enlisting the  
4           help of various sectors of society such as par-  
5           ents, other adults (such as coaches, teachers,  
6           and mentors), community or faith-based  
7           groups, the entertainment and news media,  
8           business, and teens themselves.

9           (F) Assisting organizations seeking to re-  
10          duce teen pregnancy in their efforts to work  
11          with all forms of media and to reach a variety  
12          of audiences (such as teens, parents, and eth-  
13          nically diverse groups) to communicate effective  
14          messages about preventing teen pregnancy, in-  
15          cluding messages that focus on abstinence, re-  
16          sponsible behavior, family communication, rela-  
17          tionships, and values.

18          (G) Providing resources for parents and  
19          other adults that help to foster strong connec-  
20          tions with children, which has been proven ef-  
21          fective in reducing sexual activity and teen  
22          pregnancy, including online access to research,  
23          parent guides, tips, and alerts about upcoming  
24          opportunities to use the entertainment media as  
25          a discussion starter.

1 (H) Working directly with individuals and  
2 organizations in the entertainment industry to  
3 provide consultation and serve as a source of  
4 factual information on issues related to teen  
5 pregnancy prevention.

6 (c) MEDIA CAMPAIGNS.—

7 (1) IN GENERAL.—The organization operating  
8 the Resource Center may use a portion of the funds  
9 appropriated to carry out this section to develop and  
10 implement media campaigns directly or through  
11 grants, contracts, or cooperative agreements with  
12 other entities. Such campaigns may include the pro-  
13 duction and distribution of printed materials and  
14 messages for print media, television and radio broad-  
15 cast media, the Internet, or such other media as  
16 may be appropriate for reaching large numbers of  
17 young people, parents, and community leaders.

18 (2) MATCHING.—To the extent possible, funds  
19 used to develop and implement media campaigns  
20 under this subsection should be matched with non-  
21 Federal resources, including in-kind contributions,  
22 from public and private entities.

23 (d) COLLABORATION WITH OTHER ORGANIZA-  
24 TIONS.—The organization operating the Resource Center  
25 shall collaborate with other organizations that have exper-



1 tise and interest in teen pregnancy prevention and that  
 2 can help to reach out to diverse audiences.

3 (e) EVALUATION.—

4 (1) RESERVATION AND AVAILABILITY OF  
 5 FUNDS.—Of the amount appropriated under sub-  
 6 section (f) for fiscal year 2004, \$5,000,000 shall be  
 7 reserved for use by the Secretary of Health and  
 8 Human Services to prepare an interim and final re-  
 9 port summarizing and synthesizing outcomes and  
 10 lessons learned from the activities funded under this  
 11 section. Funds reserved under the preceding sen-  
 12 tence shall remain available for expenditure through  
 13 fiscal year 2008.

14 (2) REQUIRED INFORMATION.—Each report re-  
 15 quired under paragraph (1) shall include—

16 (A) a rigorous scientific evaluation of at  
 17 least 3 such activities that are selected to rep-  
 18 resent a diversity of strategies; and

19 (B) an assessment of the ability to rep-  
 20 licate and expand activities that have proven ef-  
 21 fective on a smaller scale.

22 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
 23 are authorized to be appropriated to the Secretary of  
 24 Health and Human Services to carry out this section,  
 25 \$10,000,000 for each of fiscal years 2004 through 2008.

1 **SEC. 205. ESTABLISHING NATIONAL GOALS TO PREVENT**  
 2 **TEEN PREGNANCY.**

3 Section 905 of the Personal Responsibility and Work  
 4 Opportunity Reconciliation Act of 1996 (42 U.S.C. 710  
 5 note) is amended to read as follows:

6 **“SEC. 905. ESTABLISHING NATIONAL GOALS TO PREVENT**  
 7 **TEEN PREGNANCY.**

8 “(a) IN GENERAL.—Not later than January 1, 2004,  
 9 the Secretary of Health and Human Services shall estab-  
 10 lish a national goal of reducing teen pregnancy by at least  
 11 25 percent by January 1, 2014.

12 “(b) REPORT.—Not later than June 30, 2004, and  
 13 annually thereafter, the Secretary of Health and Human  
 14 Services shall report to Congress with respect to the  
 15 progress that has been made in meeting the national goal  
 16 established under subsection (a).”.

17 **Subtitle B—Child Support**  
 18 **Distribution to Families First**  
 19 **CHAPTER 1—DISTRIBUTION OF CHILD**  
 20 **SUPPORT**

21 **SEC. 211. DISTRIBUTION OF CHILD SUPPORT COLLECTED**  
 22 **BY STATES ON BEHALF OF CHILDREN RE-**  
 23 **CEIVING CERTAIN WELFARE BENEFITS.**

24 (a) MODIFICATION OF RULE REQUIRING ASSIGN-  
 25 MENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIV-

1 ING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is  
 2 amended to read as follows:

3 “(3) NO ASSISTANCE FOR FAMILIES NOT AS-  
 4 SIGNING CERTAIN SUPPORT RIGHTS TO THE  
 5 STATE.—A State to which a grant is made under  
 6 section 403 shall require, as a condition of paying  
 7 assistance to a family under the State program  
 8 funded under this part, that a member of the family  
 9 assign to the State any right the family member  
 10 may have (on behalf of the family member or of any  
 11 other person for whom the family member has ap-  
 12 plied for or is receiving such assistance) to support  
 13 from any other person, not exceeding the total  
 14 amount of assistance so paid to the family, which ac-  
 15 crues during the period that the family receives as-  
 16 sistance under the program.”.

17 (b) INCREASING CHILD SUPPORT PAYMENTS TO  
 18 FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBU-  
 19 TION RULES.—

20 (1) DISTRIBUTION RULES.—

21 (A) IN GENERAL.—Section 457(a) (42  
 22 U.S.C. 657(a)) is amended to read as follows:

23 “(a) IN GENERAL.—Subject to subsections (e) and  
 24 (f), the amounts collected on behalf of a family as support

1 by a State pursuant to a plan approved under this part  
 2 shall be distributed as follows:

3 “(1) FAMILIES RECEIVING ASSISTANCE.—In the  
 4 case of a family receiving assistance from the State,  
 5 the State shall—

6 “(A) pay to the Federal Government the  
 7 Federal share of the amount collected, subject  
 8 to paragraph (3)(A);

9 “(B) retain, or pay to the family, the State  
 10 share of the amount collected, subject to para-  
 11 graph (3)(B); and

12 “(C) pay to the family any remaining  
 13 amount.

14 “(2) FAMILIES THAT FORMERLY RECEIVED AS-  
 15 SISTANCE.—In the case of a family that formerly re-  
 16 ceived assistance from the State:

17 “(A) CURRENT SUPPORT.—To the extent  
 18 that the amount collected does not exceed the  
 19 current support amount, the State shall pay the  
 20 amount to the family.

21 “(B) ARREARAGES.—Except as otherwise  
 22 provided in an election made under 434(34), to  
 23 the extent that the amount collected exceeds the  
 24 current support amount, the State—

1 “(i) shall first pay to the family the  
 2 excess amount, to the extent necessary to  
 3 satisfy support arrearages not assigned  
 4 pursuant to section 408(a)(3);

5 “(ii) if the amount collected exceeds  
 6 the amount required to be paid to the fam-  
 7 ily under clause (i), shall—

8 “(I) pay to the Federal Govern-  
 9 ment, the Federal share of the excess  
 10 amount described in this clause, sub-  
 11 ject to paragraph (3)(A); and

12 “(II) retain, or pay to the family,  
 13 the State share of the excess amount  
 14 described in this clause, subject to  
 15 paragraph (3)(B); and

16 “(iii) shall pay to the family any re-  
 17 maining amount.

18 “(3) LIMITATIONS.—

19 “(A) FEDERAL REIMBURSEMENTS.—The  
 20 total of the amounts paid by the State to the  
 21 Federal Government under paragraphs (1) and  
 22 (2) of this subsection with respect to a family  
 23 shall not exceed the Federal share of the  
 24 amount assigned with respect to the family pur-  
 25 suant to section 408(a)(3).

1           “(B) STATE REIMBURSEMENTS.—The  
 2           total of the amounts retained by the State  
 3           under paragraphs (1) and (2) of this subsection  
 4           with respect to a family shall not exceed the  
 5           State share of the amount assigned with respect  
 6           to the family pursuant to section 408(a)(3).

7           “(4) FAMILIES THAT NEVER RECEIVED ASSIST-  
 8           ANCE.—In the case of any other family, the State  
 9           shall pay the amount collected to the family.

10          “(5) FAMILIES UNDER CERTAIN AGREE-  
 11          MENTS.—Notwithstanding paragraphs (1) through  
 12          (3), in the case of an amount collected for a family  
 13          in accordance with a cooperative agreement under  
 14          section 454(33), the State shall distribute the  
 15          amount collected pursuant to the terms of the agree-  
 16          ment.

17          “(6) STATE FINANCING OPTIONS.—To the ex-  
 18          tent that the State’s share of the amount payable to  
 19          a family pursuant to paragraph (2)(B) of this sub-  
 20          section exceeds the amount that the State estimates  
 21          (under procedures approved by the Secretary) would  
 22          have been payable to the family pursuant to former  
 23          section 457(a)(2)(B) (as in effect for the State im-  
 24          mediately before the date this subsection first ap-  
 25          plies to the State) if such former section had re-

1       mained in effect, the State may elect to use the  
 2       grant made to the State under section 403(a) to pay  
 3       the amount, or to have the payment considered a  
 4       qualified State expenditure for purposes of section  
 5       409(a)(7), but not both.

6               “(7) STATE OPTION TO PASS THROUGH ADDI-  
 7       TIONAL SUPPORT WITH FEDERAL FINANCIAL PAR-  
 8       TICIPATION.—

9               “(A)     IN     GENERAL.—Notwithstanding  
 10       paragraphs (1), a State shall not be required to  
 11       pay to the Federal Government the Federal  
 12       share of an amount collected on behalf of a  
 13       family that is not a recipient of assistance  
 14       under the State program funded under part A,  
 15       to the extent that the State pays the amount to  
 16       the family.

17               “(B)    RECIPIENTS OF TANF FOR LESS  
 18       THAN 5 YEARS.—

19               “(i)    IN     GENERAL.—Notwithstanding  
 20       paragraphs (1), a State shall not be re-  
 21       quired to pay to the Federal Government  
 22       the Federal share of an amount collected  
 23       on behalf of a family that is a recipient of  
 24       assistance under the State program funded  
 25       under part A and, if the family includes an

1 adult, that has received the assistance for  
 2 not more than 5 years after the date of en-  
 3 actment of this paragraph, to the extent  
 4 that—

5 “(I) the State pays the amount  
 6 to the family; and

7 “(II) subject to clause (ii), the  
 8 amount is disregarded in determining  
 9 the amount and type of the assistance  
 10 provided to the family.

11 “(ii) LIMITATION.—Of the amount  
 12 disregarded as described in clause (i)(II),  
 13 the maximum amount that may be taken  
 14 into account for purposes of clause (i) shall  
 15 not exceed \$400 per month, except that, in  
 16 the case of a family that includes 2 or  
 17 more children, the State may elect to in-  
 18 crease the maximum amount to not more  
 19 than \$600 per month.

20 “(8) STATES WITH DEMONSTRATION WAIV-  
 21 ERS.—Notwithstanding the preceding paragraphs, a  
 22 State with a waiver under section 1115, effective on  
 23 or before October 1, 1997, the terms of which allow  
 24 pass-through of child support payments, may pass



1 through payments in accordance with such terms  
 2 with respect to families subject to the waiver.”.

3 (B) STATE PLAN TO INCLUDE ELECTION  
 4 AS TO WHICH RULES TO APPLY IN DISTRIB-  
 5 UTING CHILD SUPPORT ARREARAGES COL-  
 6 LECTED ON BEHALF OF FAMILIES FORMERLY  
 7 RECEIVING ASSISTANCE.—Section 454 (42  
 8 U.S.C. 654) is amended—

9 (i) by striking “and” at the end of  
 10 paragraph (32);

11 (ii) by striking the period at the end  
 12 of paragraph (33) and inserting “; and”;  
 13 and

14 (iii) by inserting after paragraph (33)  
 15 the following:

16 “(34) include an election by the State to apply  
 17 section 457(a)(2)(B) of this Act or former section  
 18 457(a)(2)(B) of this Act (as in effect for the State  
 19 immediately before the date this paragraph first ap-  
 20 plies to the State) to the distribution of the amounts  
 21 which are the subject of such sections, and for so  
 22 long as the State elects to so apply such former sec-  
 23 tion, the amendments made by subsection (b)(1)(A)  
 24 of section 211 of the Building on Welfare Success  
 25 Act of 2003 shall not apply with respect to the

1 State, notwithstanding subsection (f)(1) of such sec-  
 2 tion 211.”.

3 (C) APPROVAL OF ESTIMATION PROCE-  
 4 DURES.—Not later than the date that is 6  
 5 months after the date of enactment of this Act,  
 6 the Secretary of Health and Human Services,  
 7 in consultation with the States (as defined for  
 8 purposes of part D of title IV of the Social Se-  
 9 curity Act), shall establish the procedures to be  
 10 used to make the estimate described in section  
 11 457(a)(6) of such Act.

12 (2) CURRENT SUPPORT AMOUNT DEFINED.—  
 13 Section 457(c) (42 U.S.C. 657(c)) is amended by  
 14 adding at the end the following:

15 “(5) CURRENT SUPPORT AMOUNT.—The term  
 16 ‘current support amount’ means, with respect to  
 17 amounts collected as support on behalf of a family,  
 18 the amount designated as the monthly support obli-  
 19 gation of the noncustodial parent in the order re-  
 20 quiring the support.”.

21 (c) BAN ON RECOVERY OF MEDICAID COSTS FOR  
 22 CERTAIN BIRTHS.—Section 454 (42 U.S.C. 654), as  
 23 amended by subsection (b)(1)(B), is amended—

24 (1) by striking “and” at the end of paragraph  
 25 (33);

1           (2) by striking the period at the end of para-  
2           graph (34) and inserting “; and”; and

3           (3) by inserting after paragraph (34) the fol-  
4           lowing:

5           “(35) provide that the State shall not use the  
6           State program operated under this part to collect  
7           any amount owed to the State by reason of costs in-  
8           curred under the State plan approved under title  
9           XIX for the birth of a child for whom support rights  
10          have been assigned pursuant to section 408(a)(3),  
11          471(a)(17), or 1912.”.

12          (d) STATE OPTION TO DISCONTINUE PRE-1997 SUP-  
13          PORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b))  
14          is amended to read as follows:

15          “(b) CONTINUATION OF ASSIGNMENTS.—

16                 “(1) STATE OPTION TO DISCONTINUE PRE-1997  
17          SUPPORT ASSIGNMENTS.—

18                         “(A) IN GENERAL.—Any rights to support  
19                         obligations assigned to a State as a condition of  
20                         receiving assistance from the State under part  
21                         A and in effect on September 30, 1997 (or such  
22                         earlier date on or after August 22, 1996, as the  
23                         State may choose), may remain assigned after  
24                         such date.

1           “(B) DISTRIBUTION OF AMOUNTS AFTER  
 2           ASSIGNMENT DISCONTINUATION.—If a State  
 3           chooses to discontinue the assignment of a sup-  
 4           port obligation described in subparagraph (A),  
 5           the State may treat amounts collected pursuant  
 6           to such assignment as if such amounts had  
 7           never been assigned and may distribute such  
 8           amounts to the family in accordance with sub-  
 9           section (a)(4).

10          “(2) STATE OPTION TO DISCONTINUE POST-1997  
 11          ASSIGNMENTS.—

12           “(A) IN GENERAL.—Any rights to support  
 13           obligations accruing before the date on which a  
 14           family first receives assistance that are assigned  
 15           to a State under part A and in effect before the  
 16           implementation date of this section may remain  
 17           assigned after such date.

18           “(B) DISTRIBUTION OF AMOUNTS AFTER  
 19           ASSIGNMENT DISCONTINUATION.—If a State  
 20           chooses to discontinue the assignment of a sup-  
 21           port obligation described in subparagraph (A),  
 22           the State may treat amounts collected pursuant  
 23           to such assignment as if such amounts had  
 24           never been assigned and may distribute such

1 amounts to the family in accordance with sub-  
 2 section (a)(4).”.

3 (e) CONFORMING AMENDMENTS.—

4 (1) Section 404(a) (42 U.S.C. 604(a)) is  
 5 amended—

6 (A) by striking “or” at the end of para-  
 7 graph (1);

8 (B) by striking the period at the end of  
 9 paragraph (2) and inserting “; or”; and

10 (C) by adding at the end the following:

11 “(3) to fund payment of an amount pursuant to  
 12 clause (i) or (ii) of section 457(a)(2)(B), but only to  
 13 the extent that the State properly elects under sec-  
 14 tion 457(a)(6) to use the grant to fund the pay-  
 15 ment.”.

16 (2) Section 409(a)(7)(B)(i) (42 U.S.C.  
 17 609(a)(7)(B)(i)) is amended—

18 (A) in subclause (I)(aa), by striking  
 19 “457(a)(1)(B)” and inserting “457(a)(1)”; and

20 (B) by adding at the end the following:

21 “(V) PORTIONS OF CERTAIN  
 22 CHILD SUPPORT PAYMENTS COL-  
 23 LECTED ON BEHALF OF AND DISTRIB-  
 24 UTED TO FAMILIES NO LONGER RE-  
 25 CEIVING ASSISTANCE.—Any amount

1                   paid by a State pursuant to clause (i)  
 2                   or (ii) of section 457(a)(2)(B), but  
 3                   only to the extent that the State prop-  
 4                   erly elects under section 457(a)(6) to  
 5                   have the payment considered a quali-  
 6                   fied State expenditure.”.

7                   (3) TAX OFFSET AUTHORITY.—Section 6402(c)  
 8                   of the Internal Revenue Code of 1986 (relating to  
 9                   authority to make credits or refunds) is amended—

10                   (A) in the first sentence, by striking “the  
 11                   Social Security Act” the second place it appears  
 12                   and inserting “such Act”; and

13                   (B) by striking the third sentence and in-  
 14                   serting the following: “The Secretary shall  
 15                   apply a reduction under this subsection first to  
 16                   an amount certified by the State as past due  
 17                   support under section 464 before any other re-  
 18                   ductions allowed by law.”.

19                   (f) EFFECTIVE DATE.—

20                   (1) IN GENERAL.—The amendments made by  
 21                   this section shall take effect on October 1, 2004,  
 22                   and shall apply to payments under parts A and D  
 23                   of title IV of the Social Security Act for calendar  
 24                   quarters beginning on or after such date, and with-  
 25                   out regard to whether regulations to implement such

1 amendments (in the case of State programs operated  
2 under such part D) are promulgated by such date.

3 (2) STATE OPTION TO ACCELERATE EFFECTIVE  
4 DATE.—In addition, a State may elect to have the  
5 amendments made by this section apply to the State  
6 and to amounts collected by the State, on and after  
7 such date as the State may select that is after the  
8 date of enactment of this Act and before October 1,  
9 2004.

## 10 **CHAPTER 2—EXPANDED ENFORCEMENT**

### 11 **SEC. 221. DECREASE IN AMOUNT OF CHILD SUPPORT AR-** 12 **REARAGE TRIGGERING PASSPORT DENIAL.**

13 Section 452(k) (42 U.S.C. 652(k)) is amended by  
14 striking “\$5,000” and inserting “\$2,500”.

### 15 **SEC. 222. USE OF TAX REFUND INTERCEPT PROGRAM TO** 16 **COLLECT PAST-DUE CHILD SUPPORT ON BE-** 17 **HALF OF CHILDREN WHO ARE NOT MINORS.**

18 Section 464 (42 U.S.C. 664) is amended—

19 (1) in subsection (a)(2)(A), by striking “(as  
20 that term is defined for purposes of this paragraph  
21 under subsection (c))”; and

22 (2) in subsection (c)—

23 (A) in paragraph (1)—

(i) by striking “(1) Except as provided in paragraph (2), as used in” and inserting “In”; and

(ii) by inserting “(whether or not a minor)” after “a child” each place it appears; and

(B) by striking paragraphs (2) and (3).

**SEC. 223. GARNISHMENT OF COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE CHILD SUPPORT OBLIGATIONS.**

Section 459(h) (42 U.S.C. 659(h)) is amended—

(1) in paragraph (1)(A)(ii)—

(A) in subclause (IV), by striking “or” after the semicolon;

(B) in subclause (V), by inserting “or” after the semicolon; and

(C) by adding at the end the following:

“(VI) subject to paragraph (3), other than periodic benefits or payments described in subclause (V), by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a



1                   former member of the Armed  
2                   Forces;”;

3                   (2) in paragraph (1)(B)(iii), by striking “sub-  
4                   paragraph (A)(ii)(V)” and inserting “subclauses (V)  
5                   and (VI) of subparagraph (A)(ii)”;

6                   (3) by adding at the end the following:

7                   “(3) LIMITATIONS WITH RESPECT TO COM-  
8                   PENSATION PAID TO VETERANS FOR SERVICE-CON-  
9                   NECTED DISABILITIES.—

10                   “(A) ALIMONY AND CHILD SUPPORT.—

11                   Compensation described in paragraph  
12                   (1)(A)(ii)(VI) shall not be subject to with-  
13                   holding pursuant to this section—

14                   “(i) for payment of alimony; or

15                   “(ii) for payment of child support if  
16                   the individual is fewer than 60 days in ar-  
17                   rears in payment of the support.

18                   “(B) LIMITATION.—Not more than 50 per-  
19                   cent of any payment of compensation described  
20                   in subparagraph (A) may be withheld pursuant  
21                   to this section.”.

1 **SEC. 224. MANDATORY REVIEW AND ADJUSTMENT OF**  
 2 **CHILD SUPPORT ORDERS FOR FAMILIES RE-**  
 3 **CEIVING TANF.**

4 (a) IN GENERAL.—Section 466(a)(10)(A)(i) (42  
 5 U.S.C. 666(a)(10)(A)(i)) is amended in the matter pre-  
 6 ceding subclause (I)—

7 (1) by striking “parent, or,” and inserting  
 8 “parent or”; and

9 (2) by striking “upon the request of the State  
 10 agency under the State plan or of either parent,”.

11 (b) EFFECTIVE DATE.—The amendments made by  
 12 subsection (a) shall take effect on October 1, 2005.

13 **SEC. 225. IMPROVED INTERSTATE ENFORCEMENT.**

14 (a) ADOPTION OF UNIFORM STATE LAWS.—Section  
 15 466(f) (42 U.S.C. 666(f)) is amended—

16 (1) by striking “January 1, 1998” and insert-  
 17 ing “October 1, 2004”; and

18 (2) by striking “August 22, 1996” and insert-  
 19 ing “January 1, 2002”.

20 (b) FULL FAITH AND CREDIT FOR CHILD SUPPORT  
 21 ORDERS.—Section 1738B of title 28, United States Code,  
 22 is amended—

23 (1) by striking subsection (d) and inserting the  
 24 following:

25 “(d) CONTINUING EXCLUSIVE JURISDICTION.—

1           “(1) IN GENERAL.—Subject to paragraph (2), a  
 2           court of a State that has made a child support order  
 3           consistently with this section has continuing, exclu-  
 4           sive jurisdiction to modify its order if the order is  
 5           the controlling order and—

6                   “(A) the State is the child’s State or the  
 7                   residence of any individual contestant; or

8                   “(B) if the State is not the residence of  
 9                   the child or an individual contestant, the con-  
 10                  testants consent in a record or in open court  
 11                  that the court may continue to exercise jurisdic-  
 12                  tion to modify its order.

13           “(2) REQUIREMENT.—A court may not exercise  
 14           its continuing, exclusive jurisdiction to modify the  
 15           order if the court of another State, acting in accord-  
 16           ance with subsections (e) and (f), has made a modi-  
 17           fication of the order.”;

18           (2) in subsection (e)(2)—

19                   (A) in subparagraph (A), by striking “be-  
 20                   cause” and all that follows through the semi-  
 21                   colon and inserting “pursuant to paragraph (1)  
 22                   or (2) of subsection (d);” and

23                   (B) in subparagraph (B), by inserting  
 24                   “with jurisdiction over at least 1 of the indi-

vidual contestants or that is located in the  
child's State" after "another State";

(3) in subsection (f)—

(A) in the subsection heading, by striking  
"RECOGNITION OF CHILD SUPPORT ORDERS"  
and inserting "DETERMINATION OF CONTROL-  
LING CHILD SUPPORT ORDER";

(B) in the matter preceding paragraph (1),  
by striking "shall apply" and all that follows  
through the colon and inserting "having per-  
sonal jurisdiction over both individual contest-  
ants shall apply the following rules and by  
order shall determine which order controls:"

(C) in paragraph (1), by striking "must  
be" and inserting "controls and must be so";

(D) in paragraph (2), by striking "must be  
recognized" and inserting "controls";

(E) in paragraph (3), by striking "must be  
recognized" each place it appears and inserting  
"controls";

(F) in paragraph (4)—

(i) by striking "may" and inserting  
"shall"; and

(ii) by striking "must be recognized"  
and inserting "controls"; and

1 (G) by striking paragraph (5);

2 (4) by striking subsection (g) and inserting the  
3 following:

4 “(g) ENFORCEMENT OF MODIFIED ORDERS.—If a  
5 child support order issued by a court of a State is modified  
6 by a court of another State which properly assumed juris-  
7 diction, the issuing court—

8 “(1) may enforce its order that was modified  
9 only as to arrears and interest accruing before the  
10 modification;

11 “(2) may provide appropriate relief for viola-  
12 tions of its order which occurred before the effective  
13 date of the modification; and

14 “(3) shall recognize the modifying order of the  
15 other State for the purpose of enforcement.”;

16 (5) in subsection (h)—

17 (A) in paragraph (1), by striking “and  
18 (3)” and inserting “, (3), and (4)”;

19 (B) in paragraph (2), by inserting “the  
20 computation and payment of arrearages, and  
21 the accrual of interest on the arrearages,” after  
22 “obligations of support,”; and

23 (C) by adding at the end the following:

24 “(4) PROSPECTIVE APPLICATION.—After a  
25 court determines which is the controlling order and

1 issues an order consolidating arrears, if any, a court  
 2 shall prospectively apply the law of the State issuing  
 3 the controlling order, including that State’s law with  
 4 respect to interest on arrears, current and future  
 5 support, and consolidated arrears.”; and

6 (6) in subsection (i), by inserting “and sub-  
 7 section (d)(2) does not apply” after “issuing State”.

### 8 **CHAPTER 3—MISCELLANEOUS**

#### 9 **SEC. 231. REPORT ON UNDISTRIBUTED CHILD SUPPORT** 10 **PAYMENTS.**

11 Not later than 6 months after the date of enactment  
 12 of this Act, the Secretary of Health and Human Services  
 13 shall submit to the Committee on Ways and Means of the  
 14 House of Representatives and the Committee on Finance  
 15 of the Senate a report on the procedures that the States  
 16 use generally to locate custodial parents for whom child  
 17 support has been collected but not yet distributed due to  
 18 a change in address. The report shall include an estimate  
 19 of the total amount of such undistributed child support  
 20 and the average length of time it takes for such child sup-  
 21 port to be distributed. The Secretary shall include in the  
 22 report recommendations as to whether additional proce-  
 23 dures should be established at the Federal or State level  
 24 to expedite the payment of undistributed child support.

1 **SEC. 232. USE OF NEW HIRE INFORMATION TO ASSIST IN**  
2 **ADMINISTRATION OF UNEMPLOYMENT COM-**  
3 **PENSATION PROGRAMS.**

4 Section 453(j) (42 U.S.C. 653(j)) is amended by add-  
5 ing at the end the following:

6 “(7) INFORMATION COMPARISONS AND DISCLO-  
7 SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-  
8 MENT COMPENSATION PROGRAMS.—

9 “(A) IN GENERAL.—If a State agency re-  
10 sponsible for the administration of an unem-  
11 ployment compensation program under Federal  
12 or State law transmits to the Secretary the  
13 name and social security account number of an  
14 individual, the Secretary shall, if the informa-  
15 tion in the National Directory of New Hires in-  
16 dicates that the individual may be employed,  
17 disclose to the State agency the name, address,  
18 and employer identification number of any pu-  
19 tative employer of the individual, subject to this  
20 paragraph.

21 “(B) CONDITION ON DISCLOSURE.—The  
22 Secretary shall make a disclosure under sub-  
23 paragraph (A) only to the extent that the Sec-  
24 retary determines that the disclosure would not  
25 interfere with the effective operation of the pro-  
26 gram under this part.

1           “(C) USE OF INFORMATION.—A State  
 2           agency may use information provided under this  
 3           paragraph only for purposes of administering a  
 4           program referred to in subparagraph (A).”.

5 **SEC. 233. IMMIGRATION PROVISIONS.**

6           (a) NONIMMIGRANT ALIENS INELIGIBLE TO RE-  
 7 CEIVE VISAS AND EXCLUDED FROM ADMISSION FOR  
 8 NONPAYMENT OF CHILD SUPPORT.—

9           (1) IN GENERAL.—Section 212(a)(10) of the  
 10          Immigration and Nationality Act (8 U.S.C.  
 11          1182(a)(10)) is amended by adding at the end the  
 12          following:

13               “(F) NONPAYMENT OF CHILD SUPPORT.—

14               “(i) IN GENERAL.—Any non-  
 15               immigrant alien is inadmissible who is le-  
 16               gally obligated under a judgment, decree,  
 17               or order to pay child support (as defined in  
 18               section 459(i)(2) of the Social Security  
 19               Act), and whose failure to pay such child  
 20               support has resulted in an arrearage ex-  
 21               ceeding \$2,500, until child support pay-  
 22               ments under the judgment, decree, or  
 23               order are satisfied or the nonimmigrant  
 24               alien is in compliance with an approved  
 25               payment agreement.



1                   “(ii) WAIVER AUTHORIZED.—The  
 2                   Secretary of Homeland Security may waive  
 3                   the application of clause (i) in the case of  
 4                   an alien, if the Secretary—

5                   “(I) has received a request for  
 6                   the waiver from the court or adminis-  
 7                   trative agency having jurisdiction over  
 8                   the judgment, decree, or order obli-  
 9                   gating the alien to pay child support  
 10                  that is referred to in such clause; or

11                  “(II) determines that there are  
 12                  prevailing humanitarian or public in-  
 13                  terest concerns.”.

14                  (2) EFFECTIVE DATE.—The amendment made  
 15                  by this subsection shall take effect 180 days after  
 16                  the date of enactment of this Act.

17                  (b) AUTHORIZATION TO SERVE LEGAL PROCESS IN  
 18                  CHILD SUPPORT CASES ON CERTAIN ARRIVING  
 19                  ALIENS.—

20                  (1) IN GENERAL.—Section 235(d) of the Immi-  
 21                  gration and Nationality Act (8 U.S.C. 1225(d)) is  
 22                  amended by adding at the end the following:

23                  “(5) AUTHORITY TO SERVE PROCESS IN CHILD  
 24                  SUPPORT CASES.—

1           “(A) IN GENERAL.—To the extent con-  
2           sistent with State law, immigration officers are  
3           authorized to serve on any alien who is an ap-  
4           plicant for admission to the United States legal  
5           process with respect to any action to enforce or  
6           establish a legal obligation of an individual to  
7           pay child support (as defined in section  
8           459(i)(2) of the Social Security Act).

9           “(B) DEFINITION.—For purposes of sub-  
10          paragraph (A), the term ‘legal process’ means  
11          any writ, order, summons, or other similar  
12          process, which is issued by—

13               “(i) a court or an administrative  
14               agency of competent jurisdiction in any  
15               State, territory, or possession of the  
16               United States; or

17               “(ii) an authorized official pursuant to  
18               an order of such a court or agency or pur-  
19               suant to State or local law.”.

20          (2) EFFECTIVE DATE.—The amendment made  
21          by this subsection shall apply to aliens applying for  
22          admission to the United States on or after 180 days  
23          after the date of enactment of this Act.

1       (c) AUTHORIZATION TO SHARE CHILD SUPPORT EN-  
2       FORCEMENT INFORMATION TO ENFORCE IMMIGRATION  
3       AND NATURALIZATION LAW.—

4               (1) SECRETARIAL RESPONSIBILITY.—Section  
5       452 (42 U.S.C. 652) is amended by adding at the  
6       end the following:

7       “(m) If the Secretary receives a certification by a  
8       State agency, in accordance with section 454(36), that an  
9       individual who is a nonimmigrant alien (as defined in sec-  
10      tion 101(a)(15) of the Immigration and Nationality Act)  
11      owes arrearages of child support in an amount exceeding  
12      \$2,500, the Secretary may, at the request of the State  
13      agency, the Secretary of State, or the Secretary of Home-  
14      land Security, or on the Secretary’s own initiative, provide  
15      the certification to the Secretary of State and the Sec-  
16      retary of Homeland Security in order to enable them to  
17      carry out their responsibilities under sections 212(a)(10)  
18      and 235(d) of such Act.”.

19              (2) STATE AGENCY RESPONSIBILITY.—Section  
20      454 (42 U.S.C. 654), as amended by section 211(c),  
21      is amended—

22                      (A) by striking “and” at the end of para-  
23                      graph (34);

24                      (B) by striking the period at the end of  
25                      paragraph (35) and inserting “; and”; and

1 (C) by inserting after paragraph (35) the  
 2 following:

3 “(36) provide that the State agency will have in  
 4 effect a procedure for certifying to the Secretary, in  
 5 such format and accompanied by such supporting  
 6 documentation as the Secretary may require, deter-  
 7 minations that nonimmigrant aliens owe arrearages  
 8 of child support in an amount exceeding \$2,500.”.

9 **SEC. 234. INCREASE IN PAYMENT RATE TO STATES FOR EX-**  
 10 **PENDITURES FOR SHORT-TERM TRAINING OF**  
 11 **STAFF OF CERTAIN CHILD WELFARE AGEN-**  
 12 **CIES.**

13 Section 474(a)(3)(B) of the Social Security Act (42  
 14 U.S.C. 674(a)(3)(B)) is amended by inserting “, or State-  
 15 licensed or State-approved child welfare agencies providing  
 16 services,” after “child care institutions”.

17 **Subtitle C—Responsible**  
 18 **Fatherhood**

19 **SEC. 241. RESPONSIBLE FATHERHOOD GRANTS.**

20 Part D of title IV of the Social Security Act (42  
 21 U.S.C. 651 et seq.) is amended by adding at the end the  
 22 following:

23 **“SEC. 469C. RESPONSIBLE FATHERHOOD GRANTS.**

24 **“(a) GRANTS TO STATES TO CONDUCT DEMONSTRA-**  
 25 **TION PROGRAMS.—**

1 “(1) AUTHORITY TO AWARD GRANTS.—

2 “(A) IN GENERAL.—The Secretary shall  
3 award grants to up to 10 eligible States to con-  
4 duct demonstration programs to carry out the  
5 purposes described in paragraph (2).

6 “(B) ELIGIBLE STATE.—For purposes of  
7 this subsection, an eligible State is a State that  
8 submits to the Secretary the following:

9 “(i) APPLICATION.—An application  
10 for a grant under this subsection, at such  
11 time, in such manner, and containing such  
12 information as the Secretary may require.

13 “(ii) STATE PLAN.—A State plan that  
14 includes the following:

15 “(I) PROJECT DESCRIPTION.—A  
16 description of the types of projects the  
17 State will fund under the grant, in-  
18 cluding a good faith estimate of the  
19 number and characteristics of clients  
20 to be served under such projects and  
21 how the State intends to achieve at  
22 least 2 of the purposes described in  
23 paragraph (2).

24 “(II) COORDINATION EFFORTS.—  
25 A description of how the State will co-

1           ordinate and cooperate with State and  
2           local entities responsible for carrying  
3           out other programs that relate to the  
4           purposes intended to be achieved  
5           under the demonstration program, in-  
6           cluding as appropriate, entities re-  
7           sponsible for carrying out jobs pro-  
8           grams and programs serving children  
9           and families.

10                   “(III) RECORDS, REPORTS, AND  
11           AUDITS.—An agreement to maintain  
12           such records, submit such reports,  
13           and cooperate with such reviews and  
14           audits as the Secretary finds nec-  
15           essary for purposes of oversight of the  
16           demonstration program.

17                   “(iii) CERTIFICATIONS.—The fol-  
18           lowing certifications from the chief execu-  
19           tive officer of the State:

20                   “(I) A certification that the State  
21           will use funds provided under the  
22           grant to promote at least 2 of the  
23           purposes described in paragraph (2).

24                   “(II) A certification that the  
25           State will return any unused funds to

1 the Secretary in accordance with the  
2 reconciliation process under para-  
3 graph (4).

4 “(III) A certification that the  
5 funds provided under the grant will be  
6 used for programs and activities that  
7 target low-income participants and  
8 that not less than 50 percent of the  
9 participants in each program or activ-  
10 ity funded under the grant shall be—

11 “(aa) parents of a child who  
12 is, or within the past 24 months  
13 has been, a recipient of assist-  
14 ance or services under a State  
15 program funded under this part  
16 and is described in section  
17 454(4)(A)(i); or

18 “(bb) parents, including an  
19 expectant parent or a married  
20 parent, whose income (after ad-  
21 justment for court-ordered child  
22 support paid or received) does  
23 not exceed 150 percent of the  
24 poverty line.

1                   “(IV) A certification that pro-  
2                   grams or activities funded under the  
3                   grant will be provided with informa-  
4                   tion regarding the prevention of do-  
5                   mestic violence and that the State will  
6                   consult with representatives of State  
7                   and local domestic violence centers.

8                   “(V) A certification that funds  
9                   provided to a State under this sub-  
10                  section shall not be used to supple-  
11                  ment or supplant other Federal,  
12                  State, or local funds that are used to  
13                  support programs or activities that  
14                  are related to the purposes described  
15                  in paragraph (2).

16                  “(C) PREFERENCES AND FACTORS OF  
17                  CONSIDERATION.—In awarding grants under  
18                  this subsection, the Secretary shall take into  
19                  consideration the following:

20                  “(i) DIVERSITY OF ENTITIES USED TO  
21                  CONDUCT PROGRAMS AND ACTIVITIES.—  
22                  The Secretary shall, to the extent prac-  
23                  ticable, achieve a balance among the eligi-  
24                  ble States awarded grants under this sub-  
25                  section with respect to the size, urban or



1 rural location, and employment of differing  
 2 or unique methods of the entities that the  
 3 States intend to use to conduct the pro-  
 4 grams and activities funded under the  
 5 grants.

6 “(ii) PRIORITY FOR CERTAIN  
 7 STATES.—The Secretary shall give priority  
 8 to awarding grants to eligible States that  
 9 have—

10 “(I) demonstrated progress in  
 11 achieving at least 1 of the purposes  
 12 described in paragraph (2) through  
 13 previous State initiatives; or

14 “(II) demonstrated need with re-  
 15 spect to reducing the incidence of out-  
 16 of-wedlock births or absent fathers in  
 17 the State.

18 “(2) PURPOSES.—The purposes described in  
 19 this paragraph are the following:

20 “(A) PROMOTING RESPONSIBLE FATHER-  
 21 HOOD THROUGH MARRIAGE PROMOTION.—To  
 22 promote marriage or sustain marriage through  
 23 such activities as counseling, mentoring, dis-  
 24 seminating information about the benefits of  
 25 marriage and 2-parent involvement for children,

enhancing relationship skills, education regarding how to control aggressive behavior, disseminating information on the causes of domestic violence and child abuse, marriage preparation programs, premarital counseling, marital inventories, skills-based marriage education, financial planning seminars, including improving a family's ability to effectively manage family business affairs by means such as education, counseling, or mentoring on matters related to family finances, including household management, budgeting, banking, and handling of financial transactions and home maintenance, and divorce education and reduction programs, including mediation and counseling.

“(B) PROMOTING RESPONSIBLE FATHERHOOD THROUGH PARENTING PROMOTION.—To promote responsible parenting through such activities as counseling, mentoring, and mediation, disseminating information about good parenting practices, skills-based parenting education, encouraging child support payments, and other methods.

“(C) PROMOTING RESPONSIBLE FATHERHOOD THROUGH FOSTERING ECONOMIC STA-

1 BILITY OF FATHERS.—To foster economic sta-  
2 bility by helping fathers improve their economic  
3 status by providing such activities as work first  
4 services, job search, job training, subsidized em-  
5 ployment, job retention, job enhancement, and  
6 encouraging education, including career-advanc-  
7 ing education, dissemination of employment ma-  
8 terials, coordination with existing employment  
9 services such as welfare-to-work programs, re-  
10 ferrals to local employment training initiatives,  
11 and other methods.

12 “(3) RESTRICTION ON USE OF FUNDS.—No  
13 funds provided under this subsection may be used  
14 for costs attributable to court proceedings regarding  
15 matters of child visitation or custody, or for legisla-  
16 tive advocacy.

17 “(4) RECONCILIATION PROCESS.—

18 “(A) 3-YEAR AVAILABILITY OF AMOUNTS  
19 ALLOTTED.—Each eligible State that receives a  
20 grant under this subsection for a fiscal year  
21 shall return to the Secretary any unused por-  
22 tion of the grant for such fiscal year not later  
23 than the last day of the second succeeding fiscal  
24 year, together with any earnings on such un-  
25 used portion.

1 “(B) PROCEDURE FOR REDISTRIBUTION.—

2 The Secretary shall establish an appropriate  
 3 procedure for redistributing to eligible entities  
 4 that have expended the entire amount of a  
 5 grant made under this subsection for a fiscal  
 6 year any amount that is returned to the Sec-  
 7 retary by eligible States under subparagraph  
 8 (A).

9 “(5) AMOUNT OF GRANTS.—

10 “(A) IN GENERAL.—Subject to subpara-  
 11 graph (B), the amount of each grant awarded  
 12 under this subsection shall be an amount suffi-  
 13 cient to implement the State plan submitted  
 14 under paragraph (1)(B)(ii).

15 “(B) MINIMUM AMOUNTS.—No eligible  
 16 State shall—

17 “(i) in the case of the District of Co-  
 18 lumbia or a State other than the Common-  
 19 wealth of Puerto Rico, the United States  
 20 Virgin Islands, Guam, American Samoa,  
 21 and the Commonwealth of the Northern  
 22 Mariana Islands, receive a grant for a fis-  
 23 cal year in an amount that is less than  
 24 \$1,000,000; and

1 “(ii) in the case of the Commonwealth  
 2 of Puerto Rico, the United States Virgin  
 3 Islands, Guam, American Samoa, and the  
 4 Commonwealth of the Northern Mariana  
 5 Islands, receive a grant for a fiscal year in  
 6 an amount that is less than \$500,000.

7 “(6) DEFINITION OF STATE.—In this sub-  
 8 section the term ‘State’ means each of the 50  
 9 States, the District of Columbia, the Commonwealth  
 10 of Puerto Rico, the United States Virgin Islands,  
 11 Guam, American Samoa, and the Commonwealth of  
 12 the Northern Mariana Islands.

13 “(7) AUTHORIZATION OF APPROPRIATIONS.—  
 14 There is authorized to be appropriated \$20,000,000  
 15 for each of fiscal years 2004 through 2008 for pur-  
 16 poses of making grants to States under this sub-  
 17 section.

18 “(b) GRANTS TO ELIGIBLE ENTITIES TO CONDUCT  
 19 DEMONSTRATION PROGRAMS.—

20 “(1) AUTHORITY TO AWARD GRANTS.—

21 “(A) IN GENERAL.—The Secretary shall  
 22 award grants to eligible entities to conduct  
 23 demonstration programs to carry out the pur-  
 24 poses described in (a)(2).

1           “(B) ELIGIBLE ENTITY.—For purposes of  
2           this subsection, an eligible entity is a local gov-  
3           ernment, local public agency, community-based  
4           or nonprofit organization, or private entity, in-  
5           cluding any charitable or faith-based organiza-  
6           tion that submits to the Secretary the following:

7                   “(i) APPLICATION.—An application  
8                   for a grant under this subsection, at such  
9                   time, in such manner, and containing such  
10                  information as the Secretary may require.

11                  “(ii) PROJECT DESCRIPTION.—A de-  
12                  scription of the programs or activities the  
13                  entity intends to carry out with funds pro-  
14                  vided under the grant, including a good  
15                  faith estimate of the number and charac-  
16                  teristics of clients to be served under such  
17                  programs or activities and how the entity  
18                  intends to achieve at least 2 of the pur-  
19                  poses described in subsection (a)(2).

20                  “(iii) COORDINATION EFFORTS.—A  
21                  description of how the entity will coordi-  
22                  nate and cooperate with State and local  
23                  entities responsible for carrying out other  
24                  programs that relate to the purposes in-  
25                  tended to be achieved under the dem-

1           onstration program, including as appro-  
2           priate, entities responsible for carrying out  
3           jobs programs and programs serving chil-  
4           dren and families.

5           “(iv) RECORDS, REPORTS, AND AU-  
6           DITS.—An agreement to maintain such  
7           records, submit such reports, and cooper-  
8           ate with such reviews and audits as the  
9           Secretary finds necessary for purposes of  
10          oversight of the demonstration program.

11          “(v) CERTIFICATIONS.—The following  
12          certifications:

13               “(I) A certification that the enti-  
14               ty will use funds provided under the  
15               grant to promote at least 2 of the  
16               purposes described in subsection  
17               (a)(2).

18               “(II) A certification that the en-  
19               tity will return any unused funds to  
20               the Secretary in accordance with the  
21               reconciliation process under para-  
22               graph (3).

23               “(III) A certification that the  
24               funds provided under the grant will be  
25               used for programs and activities that

1 target low-income participants and  
2 that not less than 50 percent of the  
3 participants in each program or activ-  
4 ity funded under the grant shall be—

5 “(aa) parents of a child who  
6 is, or within the past 24 months  
7 has been, a recipient of assist-  
8 ance or services under a State  
9 program funded under this part  
10 and is described in section  
11 454(4)(A)(i); or

12 “(bb) parents, including an  
13 expectant parent or a married  
14 parent, whose income (after ad-  
15 justment for court-ordered child  
16 support paid or received) does  
17 not exceed 150 percent of the  
18 poverty line.

19 “(IV) A certification that the en-  
20 tity will consult with representatives  
21 of State and local domestic violence  
22 centers.

23 “(V) A certification that funds  
24 provided to an entity under this sub-  
25 section shall not be used to supple-



1                   ment or supplant other Federal,  
 2                   State, or local funds provided to the  
 3                   entity that are used to support pro-  
 4                   grams or activities that are related to  
 5                   the purposes described in subsection  
 6                   (a)(2).

7                   “(C) PREFERENCES AND FACTORS OF  
 8                   CONSIDERATION.—In awarding grants under  
 9                   this subsection, the Secretary shall, to the ex-  
 10                  tent practicable, achieve a balance among the  
 11                  eligible entities awarded grants under this sub-  
 12                  section with respect to the size, urban or rural  
 13                  location, and employment of differing or unique  
 14                  methods of the entities.

15                  “(2) RESTRICTION ON USE OF FUNDS.—No  
 16                  funds provided under this subsection may be used  
 17                  for costs attributable to court proceedings regarding  
 18                  matters of child visitation or custody, or for legisla-  
 19                  tive advocacy.

20                  “(3) RECONCILIATION PROCESS.—

21                         “(A) 3-YEAR AVAILABILITY OF AMOUNTS  
 22                         ALLOTTED.—Each eligible entity that receives a  
 23                         grant under this subsection for a fiscal year  
 24                         shall return to the Secretary any unused por-  
 25                         tion of the grant for such fiscal year not later

1           than the last day of the second succeeding fiscal  
 2           year, together with any earnings on such un-  
 3           used portion.

4           “(B) PROCEDURE FOR REDISTRIBUTION.—

5           The Secretary shall establish an appropriate  
 6           procedure for redistributing to eligible entities  
 7           that have expended the entire amount of a  
 8           grant made under this subsection for a fiscal  
 9           year any amount that is returned to the Sec-  
 10          retary by eligible entities under subparagraph  
 11          (A).

12          “(4) AUTHORIZATION OF APPROPRIATIONS.—

13          There is authorized to be appropriated \$30,000,000  
 14          for each of fiscal years 2004 through 2008 for pur-  
 15          poses of making grants to eligible entities under this  
 16          subsection.”.

17   **SEC. 242. NATIONAL CLEARINGHOUSE FOR RESPONSIBLE**  
 18                           **FATHERHOOD PROGRAMS.**

19          Section 469C of the Social Security Act, as added  
 20          by section 241, is amended by adding at the end the fol-  
 21          lowing:

22          “(c) MEDIA CAMPAIGN NATIONAL CLEARINGHOUSE  
 23          FOR RESPONSIBLE FATHERHOOD.—

24                  “(1) MEDIA CAMPAIGN AND NATIONAL CLEAR-  
 25          INGHOUSE.—

1           “(A) IN GENERAL.—From any funds ap-  
2           propriated under paragraph (3), the Secretary  
3           shall contract with a nationally recognized, non-  
4           profit fatherhood promotion organization de-  
5           scribed in paragraph (2) to—

6                   “(i) develop, promote, and distribute  
7                   to interested States, local governments,  
8                   public agencies, and private entities a  
9                   media campaign that encourages the ap-  
10                  propriate involvement of both parents in  
11                  the life of any child of the parents, with a  
12                  priority for programs that specifically ad-  
13                  dress the issue of responsible fatherhood;  
14                  and

15                  “(ii) develop a national clearinghouse  
16                  to assist States and communities in efforts  
17                  to promote and support marriage and re-  
18                  sponsible fatherhood by collecting, evalu-  
19                  ating, and making available (through the  
20                  Internet and by other means) to other  
21                  States information regarding the media  
22                  campaigns established under subsection  
23                  (d).

24           “(B) COORDINATION WITH DOMESTIC VIO-  
25           LENCE PROGRAMS.—The Secretary shall ensure

that the nationally recognized nonprofit fatherhood promotion organization with a contract under subparagraph (A) coordinates the media campaign developed under clause (i) of such paragraph and the national clearinghouse developed under clause (ii) of such paragraph with a national, State, or local domestic violence program.

“(2) NATIONALLY RECOGNIZED, NONPROFIT FATHERHOOD PROMOTION ORGANIZATION DESCRIBED.—The nationally recognized, nonprofit fatherhood promotion organization described in this paragraph is an organization that has at least 4 years of experience in—

“(A) designing and disseminating a national public education campaign, as evidenced by the production and successful placement of television, radio, and print public service announcements that promote the importance of responsible fatherhood, a track record of service to Spanish-speaking populations and historically underserved or minority populations, the capacity to fulfill requests for information and a proven history of fulfilling such requests, and a mechanism through which the public can re-

1           quest additional information about the cam-  
 2           paign; and

3           “(B) providing consultation and training to  
 4           community-based organizations interested in  
 5           implementing fatherhood outreach, support, or  
 6           skill development programs with an emphasis  
 7           on promoting married fatherhood as the ideal.

8           “(3) AUTHORIZATION OF APPROPRIATIONS.—  
 9           There is authorized to be appropriated \$5,000,000  
 10          for each of fiscal years 2004 through 2008 to carry  
 11          out this subsection.”.

12 **SEC. 243. BLOCK GRANTS TO STATES TO ENCOURAGE**  
 13 **MEDIA CAMPAIGNS.**

14          (a) IN GENERAL.—Section 469C of the Social Secu-  
 15          rity Act, as added by section 241 and amended by section  
 16          242, is amended by adding at the end the following:

17          “(d) BLOCK GRANTS TO STATES FOR MEDIA CAM-  
 18          PAIGNS PROMOTING RESPONSIBLE FATHERHOOD.—

19                 “(1) DEFINITIONS.—In this subsection:

20                         “(A) BROADCAST ADVERTISEMENT.—The  
 21                         term ‘broadcast advertisement’ means a com-  
 22                         munication intended to be aired by a television  
 23                         or radio broadcast station, including a commu-  
 24                         nication intended to be transmitted through a  
 25                         cable channel.

1           “(B) CHILD AT RISK.—The term ‘child at  
2 risk’ means each young child whose family in-  
3 come does not exceed the poverty line.

4           “(C) POVERTY LINE.—The term ‘poverty  
5 line’ has the meaning given such term in sec-  
6 tion 673(2) of the Omnibus Budget Reconcili-  
7 ation Act of 1981 (including any revision re-  
8 quired by such section) that is applicable to a  
9 family of the size involved.

10          “(D) PRINTED OR OTHER ADVERTISE-  
11 MENT.—The term ‘printed or other advertise-  
12 ment’ includes any communication intended to  
13 be distributed through a newspaper, magazine,  
14 outdoor advertising facility, mailing, or any  
15 other type of general public advertising, but  
16 does not include any broadcast advertisement.

17          “(E) STATE.—The term ‘State’ means  
18 each of the 50 States, the District of Columbia,  
19 the Commonwealth of Puerto Rico, the United  
20 States Virgin Islands, Guam, American Samoa,  
21 and the Commonwealth of the Northern Mar-  
22 iana Islands.

23          “(F) YOUNG CHILD.—The term ‘young  
24 child’ means an individual under age 5.

1           “(2) STATE CERTIFICATIONS.—Not later than  
2           October 1 of each of fiscal year for which a State  
3           desires to receive an allotment under this subsection,  
4           the chief executive officer of the State shall submit  
5           to the Secretary a certification that the State  
6           shall—

7                   “(A) use such funds to promote the forma-  
8                   tion and maintenance of married 2-parent fami-  
9                   lies, strengthen fragile families, and promote re-  
10                  sponsible fatherhood through media campaigns  
11                  conducted in accordance with the requirements  
12                  of paragraph (4);

13                  “(B) return any unused funds to the Sec-  
14                  retary in accordance with the reconciliation  
15                  process under paragraph (5); and

16                  “(C) comply with the reporting require-  
17                  ments under paragraph (6).

18           “(3) PAYMENTS TO STATES.—For each of fiscal  
19           years 2004 through 2008, the Secretary shall pay to  
20           each State that submits a certification under para-  
21           graph (2), from any funds appropriated under para-  
22           graph (8), for the fiscal year an amount equal to the  
23           amount of the allotment determined for the fiscal  
24           year under paragraph (7).

1           “(4) ESTABLISHMENT OF MEDIA CAMPAIGNS.—

2           Each State receiving an allotment under this sub-  
3           section for a fiscal year shall use the allotment to  
4           conduct media campaigns as follows:

5                   “(A) CONDUCT OF MEDIA CAMPAIGNS.—

6                           “(i) RADIO AND TELEVISION MEDIA  
7                           CAMPAIGNS.—

8                                   “(I) PRODUCTION OF BROADCAST  
9                                   ADVERTISEMENTS.—At the option of  
10                                  the State, to produce broadcast adver-  
11                                  tisements that promote the formation  
12                                  and maintenance of married 2-parent  
13                                  families, strengthen fragile families,  
14                                  and promote responsible fatherhood.

15                                  “(II) AIR-TIME CHALLENGE PRO-  
16                                  GRAM.—At the option of the State, to  
17                                  establish an air-time challenge pro-  
18                                  gram under which the State may  
19                                  spend amounts allotted under this sec-  
20                                  tion to purchase time from a broad-  
21                                  cast station to air a broadcast adver-  
22                                  tisement produced under clause (i),  
23                                  but only if the State obtains an  
24                                  amount of time of the same class and  
25                                  during a comparable period to air the



1 advertisement using non-Federal con-  
2 tributions.

3 “(ii) OTHER MEDIA CAMPAIGNS.—At  
4 the option of the state, to conduct a media  
5 campaign that consists of the production  
6 and distribution of printed or other adver-  
7 tisements that promote the formation and  
8 maintenance of married 2-parent families,  
9 strengthen fragile families, and promote  
10 responsible fatherhood.

11 “(B) ADMINISTRATION OF MEDIA CAM-  
12 PAIGNS.—A State may administer media cam-  
13 paigns funded under this subsection directly or  
14 through grants, contracts, or cooperative agree-  
15 ments with public agencies, local governments,  
16 or private entities, including charitable and  
17 faith-based organizations.

18 “(C) CONSULTATION WITH DOMESTIC VIO-  
19 LENCE ASSISTANCE CENTERS.—In developing  
20 broadcast and printed advertisements to be  
21 used in the media campaigns conducted under  
22 subparagraph (A), the State or other entity ad-  
23 ministering the campaign shall consult with  
24 representatives of State and local domestic vio-  
25 lence centers.

1           “(D) NON-FEDERAL CONTRIBUTIONS.—In  
2           this subsection, the term ‘non-Federal contribu-  
3           tions’ includes contributions by the State and  
4           by public and private entities. Such contribu-  
5           tions may be in cash or in kind. Such term does  
6           not include any amounts provided by the Fed-  
7           eral Government, or services assisted or sub-  
8           sidized to any significant extent by the Federal  
9           Government, or any amount expended by a  
10          State before October 1, 2003.

11          “(5) RECONCILIATION PROCESS.—

12                 “(A) 3-YEAR AVAILABILITY OF AMOUNTS  
13                 ALLOTTED.—Each State that receives an allot-  
14                 ment under this subsection shall return to the  
15                 Secretary any unused portion of the amount al-  
16                 lotted to a State for a fiscal year not later than  
17                 the last day of the second succeeding fiscal year  
18                 together with any earnings on such unused por-  
19                 tion.

20                 “(B) PROCEDURE FOR REDISTRIBUTION  
21                 OF UNUSED ALLOTMENTS.—The Secretary shall  
22                 establish an appropriate procedure for redistrib-  
23                 uting to States that have expended the entire  
24                 amount allotted under this subsection any  
25                 amount that is—

1 “(i) returned to the Secretary by  
2 States under subparagraph (A); or

3 “(ii) not allotted to a State under this  
4 section because the State did not submit a  
5 certification under paragraph (2) by Octo-  
6 ber 1 of a fiscal year.

7 “(6) REPORTING REQUIREMENTS.—

8 “(A) MONITORING AND EVALUATION.—  
9 Each State receiving an allotment under this  
10 subsection for a fiscal year shall monitor and  
11 evaluate the media campaigns conducted using  
12 funds made available under this subsection in  
13 such manner as the Secretary, in consultation  
14 with the States, determines appropriate.

15 “(B) ANNUAL REPORTS.—Not less fre-  
16 quently than annually, each State receiving an  
17 allotment under this subsection for a fiscal year  
18 shall submit to the Secretary reports on the  
19 media campaigns conducted under this sub-  
20 section at such time, in such manner, and con-  
21 taining such information as the Secretary may  
22 require.

23 “(7) AMOUNT OF ALLOTMENTS.—

24 “(A) IN GENERAL.—Except as provided in  
25 subparagraph (B), of the amount appropriated

1           for the purpose of making allotments under this  
2           subsection for a fiscal year, the Secretary shall  
3           allot to each State that submits a certification  
4           under paragraph (2) for the fiscal year an  
5           amount equal to the sum of—

6                   “(i) the amount that bears the same  
7                   ratio to 50 percent of such funds as the  
8                   number of young children in the State (as  
9                   determined by the Secretary based on the  
10                  most recent March supplement to the Cur-  
11                  rent Population Survey of the Bureau of  
12                  the Census before the beginning of the cal-  
13                  endar year in which such fiscal year be-  
14                  gins) as bears to the number of such chil-  
15                  dren in all States; and

16                   “(ii) the amount that bears the same  
17                   ratio to 50 percent of such funds as the  
18                   number of children at risk in the State (as  
19                   determined by the Secretary based on the  
20                  most recent March supplement to the Cur-  
21                  rent Population Survey of the Bureau of  
22                  the Census before the beginning of the cal-  
23                  endar year in which such fiscal year be-  
24                  gins) bears to the number of such children  
25                  in all States.

1           “(B) MINIMUM ALLOTMENTS.—No allot-  
 2           ment for a fiscal year under this subsection  
 3           shall be less than—

4                   “(i) in the case of the District of Co-  
 5                   lumbia or a State other than the Common-  
 6                   wealth of Puerto Rico, the United States  
 7                   Virgin Islands, Guam, American Samoa,  
 8                   and the Commonwealth of the Northern  
 9                   Mariana Islands, 1 percent of the amount  
 10                  appropriated for the fiscal year under  
 11                  paragraph (8); and

12                   “(ii) in the case of the Commonwealth  
 13                   of Puerto Rico, the United States Virgin  
 14                   Islands, Guam, American Samoa, and the  
 15                   Commonwealth of the Northern Mariana  
 16                   Islands, 0.5 percent of such amount.

17           “(C) PRO RATA REDUCTIONS.—The Sec-  
 18           retary shall make such pro rata reductions to  
 19           the allotments determined under subparagraph  
 20           (A) as are necessary to comply with the require-  
 21           ments of subparagraph (B).

22           “(8) AUTHORIZATION OF APPROPRIATIONS.—  
 23           There is authorized to be appropriated \$20,000,000  
 24           for each of fiscal years 2004 through 2008 for pur-

1 poses of making allotments to States under this sub-  
 2 section.”.

3 (b) EVALUATION.—

4 (1) IN GENERAL.—The Secretary of Health and  
 5 Human Services shall conduct an evaluation of the  
 6 impact of the media campaigns funded under section  
 7 469C(d) of the Social Security Act, as added by sub-  
 8 section (a).

9 (2) REPORT.—Not later than December 31,  
 10 2006, the Secretary of Health and Human Services  
 11 shall report to Congress the results of the evaluation  
 12 under paragraph (1).

13 (3) FUNDING.—Of the amount appropriated in  
 14 accordance with section 469C(d)(8) of the Social Se-  
 15 curity Act (as added by subsection (a)) for fiscal  
 16 year 2004, \$1,000,000 of such amount shall be  
 17 transferred and made available for purposes of con-  
 18 ducting the evaluation required under this sub-  
 19 section, and shall remain available until expended.

## 20 **TITLE III—STATE FLEXIBILITY**

### 21 **SEC. 301. STATE OPTION TO ASSIST LEGAL IMMIGRANT** 22 **FAMILIES.**

23 (a) STATE OPTION.—

24 (1) IN GENERAL.—Section 403(c)(2) of the  
 25 Personal Responsibility and Work Opportunity Rec-

1       conciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is  
2       amended by adding at the end the following:

3               “(M) At State option, assistance, benefits,  
4               or services under a State program funded under  
5               part A of title IV of the Social Security Act (42  
6               U.S.C. 601 et seq.).”.

7               (2)       CONFORMING       AMENDMENT.—Section  
8       408(e) (42 U.S.C. 608(e)) is amended to read as fol-  
9       lows:

10       “(e) ELIGIBILITY OF CERTAIN ALIENS.—Except as  
11       provided in subsection (f), at State option, a State may  
12       provide assistance, benefits, or services to a qualified alien  
13       (as defined in subsections (b) and (c) of section 431 of  
14       the Personal Responsibility and Work Opportunity Rec-  
15       onciliation Act of 1996 (8 U.S.C. 1641)) under the State  
16       program funded under this part in the same manner and  
17       to the same extent as a citizen of the United States would  
18       be provided such assistance, benefits, or services.”.

19       (b) ATTRIBUTION OF SPONSOR’S INCOME AND RE-  
20       SOURCES TO ALIENS.—

21               (1) IN GENERAL.—Section 408(f) (42 U.S.C.  
22       608(f)) is amended—

23               (A) in the heading, by striking “NON-  
24       213A” and inserting “SPONSORED”;

1 (B) by striking “The following” and all  
 2 that follows through the colon and inserting  
 3 “The following rules shall apply in determining  
 4 whether an alien sponsored under section 213A  
 5 of the Immigration and Nationality Act (and, at  
 6 the option of the State, a non-213A alien) is el-  
 7 igible for cash assistance under the State pro-  
 8 gram funded under this part, or in determining  
 9 the amount of such assistance to be provided to  
 10 a sponsored alien.”;

11 (C) in paragraph (1)—

12 (i) in the matter preceding subpara-  
 13 graph (A), by striking “non-213A” and in-  
 14 serting “sponsored”;

15 (ii) in subparagraph (B), by inserting  
 16 “(or, a greater amount as determined by  
 17 the State)” before the period; and

18 (iii) in the heading of subparagraph  
 19 (C), by striking “NON-213A” and inserting  
 20 “SPONSORED”;

21 (D) by striking paragraph (5) and insert-  
 22 ing the following:

23 “(5) EXCEPTIONS.—This subsection shall not  
 24 apply to an alien who is—



1           “(A) a minor child if the sponsor of the  
2           alien or any spouse of the sponsor is a parent  
3           of the alien child; or

4           “(B) described in subsection (e) or (f) of  
5           section 421 of the Personal Responsibility and  
6           Work Opportunity Reconciliation Act of 1996  
7           (8 U.S.C. 1631).”; and

8           (E) by adding at the end the following:

9           “(7) INAPPLICABILITY TO FAMILY MEMBERS  
10          WHO ARE NOT SPONSORED ALIENS.—Income and re-  
11          sources of a sponsor which are deemed under this  
12          subsection to be the income and resources of any  
13          alien individual in a family shall not be considered  
14          in determining the need of other family members ex-  
15          cept to the extent such income or resources are actu-  
16          ally available to such other family members.

17          “(8) RULE OF CONSTRUCTION.—For purposes  
18          of section 421 of the Personal Responsibility and  
19          Work Opportunity Reconciliation Act of 1996 (8  
20          U.S.C. 1631), the State program funded under this  
21          part is not a Federal means-tested public benefits  
22          program.”.

23          (2) CONFORMING AMENDMENTS.—Section  
24          423(d) of the Personal Responsibility and Work Op-  
25          portunity Reconciliation Act of 1996 (8 U.S.C.

1 1183a note) is amended by adding at the end the  
 2 following:

3 “(12) Assistance, benefits, or services under  
 4 part A of title IV of the Social Security Act except  
 5 for cash assistance provided to a sponsored alien  
 6 who is subject to deeming pursuant to section 408(f)  
 7 of that Act.”.

8 (c) STATE AUTHORITY TO PROVIDE STATE AND  
 9 LOCAL PUBLIC BENEFITS FOR CERTAIN ALIENS.—Sec-  
 10 tion 411(d) of the Personal Responsibility and Work Op-  
 11 portunity Reconciliation Act of 1996 (8 U.S.C. 1621(d))  
 12 is amended—

13 (1) in the heading, by inserting “AND OTHER”  
 14 before “ALIENS”; and

15 (2) by inserting “or who otherwise is not a  
 16 qualified alien (as defined in subsections (b) and (c)  
 17 of section 431)” after “United States”.

18 **SEC. 302. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**  
 19 **UNDER THE MEDICAID PROGRAM AND TITLE**  
 20 **XXI.**

21 (a) MEDICAID PROGRAM.—Section 1903(v) (42  
 22 U.S.C. 1396b(v)) is amended—

23 (1) in paragraph (1), by striking “paragraph  
 24 (2)” and inserting “paragraphs (2) and (4)”; and

25 (2) by adding at the end the following:

1       “(4)(A) A State may elect (in a plan amendment  
 2 under this title) to provide medical assistance under this  
 3 title for aliens who are lawfully residing in the United  
 4 States (including battered aliens described in section  
 5 431(c) of the Personal Responsibility and Work Oppor-  
 6 tunity Reconciliation Act of 1996) and who are otherwise  
 7 eligible for such assistance, within any of the following eli-  
 8 gibility categories:

9               “(i) PREGNANT WOMEN.—Women during preg-  
 10 nancy (and during the 60-day period beginning on  
 11 the last day of the pregnancy).

12               “(ii) CHILDREN.—Children (as defined under  
 13 such plan), including optional targeted low-income  
 14 children described in section 1905(u)(2)(B).

15       “(B)(i) In the case of a State that has elected to pro-  
 16 vide medical assistance to a category of aliens under sub-  
 17 paragraph (A), no debt shall accrue under an affidavit of  
 18 support against any sponsor of such an alien on the basis  
 19 of provision of assistance to such category and the cost  
 20 of such assistance shall not be considered as an unreim-  
 21 bursed cost.

22       “(ii) The provisions of sections 401(a), 402(b), 403,  
 23 and 421 of the Personal Responsibility and Work Oppor-  
 24 tunity Reconciliation Act of 1996 shall not apply to a  
 25 State that makes an election under subparagraph (A).”.

1 (b) TITLE XXI.—Section 2107(e)(1) (42 U.S.C.  
 2 1397gg(e)(1)) is amended by adding at the end the fol-  
 3 lowing:

4 “(E) Section 1903(v)(4) (relating to op-  
 5 tional coverage of permanent resident alien chil-  
 6 dren), but only if the State has elected to apply  
 7 such section to that category of children under  
 8 title XIX.”.

9 (c) EFFECTIVE DATE.—The amendments made by  
 10 this section take effect on October 1, 2003, and apply to  
 11 medical assistance and child health assistance furnished  
 12 on or after such date.

13 **SEC. 303. 5-YEAR EXTENSION AND SIMPLIFICATION OF THE**  
 14 **TRANSITIONAL MEDICAL ASSISTANCE PRO-**  
 15 **GRAM (TMA).**

16 (a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12  
 17 MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO  
 18 AN ADDITIONAL YEAR.—

19 (1) OPTION OF CONTINUOUS ELIGIBILITY FOR  
 20 12 MONTHS BY MAKING REPORTING REQUIREMENTS  
 21 OPTIONAL.—Section 1925(b) (42 U.S.C. 1396r-  
 22 6(b)) is amended—

23 (A) in paragraph (1), by inserting “, at the  
 24 option of a State,” after “and which”;

1 (B) in paragraph (2)(A), by inserting  
 2 “Subject to subparagraph (C):” after “(A) No-  
 3 TICES.—”;

4 (C) in paragraph (2)(B), by inserting  
 5 “Subject to subparagraph (C):” after “(B) RE-  
 6 PORTING REQUIREMENTS.—”;

7 (D) by adding at the end the following new  
 8 subparagraph:

9 “(C) STATE OPTION TO WAIVE NOTICE  
 10 AND REPORTING REQUIREMENTS.—A State  
 11 may waive some or all of the reporting require-  
 12 ments under clauses (i) and (ii) of subpara-  
 13 graph (B). Insofar as it waives such a reporting  
 14 requirement, the State need not provide for a  
 15 notice under subparagraph (A) relating to such  
 16 requirement.”; and

17 (E) in paragraph (3)(A)(iii), by inserting  
 18 “the State has not waived under paragraph  
 19 (2)(C) the reporting requirement with respect  
 20 to such month under paragraph (2)(B) and if”  
 21 after “6-month period if”.

22 (2) STATE OPTION TO EXTEND ELIGIBILITY  
 23 FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDI-  
 24 TIONAL MONTHS.—Section 1925 (42 U.S.C. 1396r-  
 25 6) is further amended—

1 (A) by redesignating subsections (c)  
 2 through (f) as subsections (d) through (g), re-  
 3 spectively; and

4 (B) by inserting after subsection (b) the  
 5 following new subsection:

6 “(c) STATE OPTION OF UP TO 12 MONTHS OF ADDI-  
 7 TIONAL ELIGIBILITY.—

8 “(1) IN GENERAL.—Notwithstanding any other  
 9 provision of this title, each State plan approved  
 10 under this title may provide, at the option of the  
 11 State, that the State shall offer to each family which  
 12 received assistance during the entire 6-month period  
 13 under subsection (b) and which meets the applicable  
 14 requirement of paragraph (2), in the last month of  
 15 the period the option of extending coverage under  
 16 this subsection for the succeeding period not to ex-  
 17 ceed 12 months.

18 “(2) INCOME RESTRICTION.—The option under  
 19 paragraph (1) shall not be made available to a fam-  
 20 ily for a succeeding period unless the State deter-  
 21 mines that the family’s average gross monthly earn-  
 22 ings (less such costs for such child care as is nec-  
 23 essary for the employment of the caretaker relative)  
 24 as of the end of the 6-month period under sub-  
 25 section (b) does not exceed 185 percent of the offi-

1        cial poverty line (as defined by the Office of Man-  
 2        agement and Budget, and revised annually in ac-  
 3        cordance with section 673(2) of the Omnibus Budget  
 4        Reconciliation Act of 1981) applicable to a family of  
 5        the size involved.

6            “(3) APPLICATION OF EXTENSION RULES.—  
 7        The provisions of paragraphs (2), (3), (4), and (5)  
 8        of subsection (b) shall apply to the extension pro-  
 9        vided under this subsection in the same manner as  
 10       they apply to the extension provided under sub-  
 11       section (b)(1), except that for purposes of this sub-  
 12       section—

13            “(A) any reference to a 6-month period  
 14        under subsection (b)(1) is deemed a reference  
 15        to the extension period provided under para-  
 16        graph (1) and any deadlines for any notices or  
 17        reporting and the premium payment periods  
 18        shall be modified to correspond to the appro-  
 19        priate calendar quarters of coverage provided  
 20        under this subsection; and

21            “(B) any reference to a provision of sub-  
 22        section (a) or (b) is deemed a reference to the  
 23        corresponding provision of subsection (b) or of  
 24        this subsection, respectively.”.

1 (b) STATE OPTION TO WAIVE RECEIPT OF MED-  
 2 ICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR  
 3 TMA.—Section 1925(a)(1) (42 U.S.C. 1396r–6(a)(1)) is  
 4 amended by adding at the end the following: “A State  
 5 may, at its option, also apply the previous sentence in the  
 6 case of a family that was receiving such aid for fewer than  
 7 3 months, or that had applied for and was eligible for such  
 8 aid for fewer than 3 months, during the 6 immediately  
 9 preceding months described in such sentence.”.

10 (c) 5-YEAR EXTENSION OF SUNSET FOR TMA.—

11 (1) IN GENERAL.—Subsection (g) of section  
 12 1925 (42 U.S.C. 1396r–6), as redesignated under  
 13 subsection (a)(2)(A), and as amended by section 7  
 14 of the Welfare Reform Extension Act of 2003 (Pub-  
 15 lic Law 108–040), is amended by striking “2003”  
 16 and inserting “2008”.

17 (2) CONFORMING AMENDMENT.—Section  
 18 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)), as so  
 19 amended, is amended by striking “2003” and insert-  
 20 ing “2008”.

21 (d) CMS REPORT ON ENROLLMENT AND PARTICIPA-  
 22 TION RATES UNDER TMA.—Section 1925 (42 U.S.C.  
 23 1396r–6), as amended by subsections (a)(2)(A) and (c),  
 24 is amended by inserting after subsection (f) the following:

25 “(g) ADDITIONAL PROVISIONS.—



1           “(1) COLLECTION AND REPORTING OF PARTICI-  
2       PATION INFORMATION.—Each State shall—

3           “(A) collect and submit to the Secretary,  
4       in a format specified by the Secretary, informa-  
5       tion on average monthly enrollment and average  
6       monthly participation rates for adults and chil-  
7       dren under this section; and

8           “(B) make such information publicly avail-  
9       able.

10       Such information shall be submitted under subpara-  
11       graph (A) at the same time and frequency in which  
12       other enrollment information under this title is sub-  
13       mitted to the Secretary. Using such information, the  
14       Secretary shall submit to Congress annual reports  
15       concerning such rates.”.

16       (e) COORDINATION OF WORK.—Section 1925(g) (42  
17       U.S.C. 1396r–6(g)), as added by subsection (d), is amend-  
18       ed by adding at the end the following new paragraph:

19           “(2) COORDINATION WITH ADMINISTRATION  
20       FOR CHILDREN AND FAMILIES.—The Administrator  
21       of the Centers for Medicare & Medicaid Services, in  
22       carrying out this section, shall work with the Assist-  
23       ant Secretary for the Administration for Children  
24       and Families to develop guidance or other technical  
25       assistance for States regarding best practices in

1       guaranteeing access to transitional medical assist-  
2       ance under this section.”.

3       (f) ELIMINATION OF TMA REQUIREMENT FOR  
4 STATES THAT EXTEND COVERAGE TO CHILDREN AND  
5 PARENTS THROUGH 185 PERCENT OF POVERTY.—

6           (1) IN GENERAL.—Section 1925 (42 U.S.C.  
7       1396r-6) is further amended by inserting after sub-  
8       section (g), as added by subsection (d), the fol-  
9       lowing:

10       “(h) PROVISIONS OPTIONAL FOR STATES THAT EX-  
11 TEND COVERAGE TO CHILDREN AND PARENTS THROUGH  
12 185 PERCENT OF POVERTY.—A State may meet (but is  
13 not required to meet) the requirements of subsections (a)  
14 and (b) if it provides for medical assistance under section  
15 1931 to families (including both children and caretaker  
16 relatives) the average gross monthly earning of which (less  
17 such costs for such child care as is necessary for the em-  
18 ployment of a caretaker relative) is at or below a level that  
19 is at least 185 percent of the official poverty line (as de-  
20 fined by the Office of Management and Budget, and re-  
21 vised annually in accordance with section 673(2) of the  
22 Omnibus Budget Reconciliation Act of 1981) applicable  
23 to a family of the size involved.”.

24           (2) CONFORMING AMENDMENTS.—Section 1925  
25       (42 U.S.C. 1396r-6) is further amended, in sub-

1 sections (a)(1) and (b)(1), by inserting “, but sub-  
 2 ject to subsection (h),” after “Notwithstanding any  
 3 other provision of this title,” each place it appears.

4 (g) REQUIREMENT OF NOTICE FOR ALL FAMILIES  
 5 LOSING TANF.—Subsection (a)(2) of section 1925 (42  
 6 U.S.C. 1396r–6) is amended by adding at the end the fol-  
 7 lowing flush sentences:

8 “Each State shall provide, to families whose aid  
 9 under part A or E of title IV has terminated but  
 10 whose eligibility for medical assistance under this  
 11 title continues, written notice of their ongoing eligi-  
 12 bility for such medical assistance. If a State makes  
 13 a determination that any member of a family whose  
 14 aid under part A or E of title IV is being terminated  
 15 is also no longer eligible for medical assistance under  
 16 this title, the notice of such determination shall be  
 17 supplemented by a 1-page notification form describ-  
 18 ing the different ways in which individuals and fami-  
 19 lies may qualify for such medical assistance and ex-  
 20 plaining that individuals and families do not have to  
 21 be receiving aid under part A or E of title IV in  
 22 order to qualify for such medical assistance. Such  
 23 notice shall further be supplemented by information  
 24 on how to apply for child health assistance under the  
 25 State children’s health insurance program under

1 title XXI and how to apply for medical assistance  
 2 under this title.”.

3 (h) EXTENDING USE OF OUTSTATIONED WORKERS  
 4 TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL  
 5 ASSISTANCE.—Section 1902(a)(55) (42 U.S.C.  
 6 1396a(a)(55)) is amended by inserting “and under section  
 7 1931” after “(a)(10)(A)(ii)(IX)”.

8 (i) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as provided in this  
 10 subsection, the amendments made by this section  
 11 shall apply to calendar quarters beginning on or  
 12 after October 1, 2003.

13 (2) NOTICE.—The amendment made by sub-  
 14 section (g) shall take effect 6 months after the date  
 15 of enactment of this Act.

16 (3) DELAY PERMITTED FOR STATE PLAN  
 17 AMENDMENT.—In the case of a State plan for med-  
 18 ical assistance under title XIX of the Social Security  
 19 Act which the Secretary of Health and Human Serv-  
 20 ices determines requires State legislation (other than  
 21 legislation appropriating funds) in order for the plan  
 22 to meet the additional requirements imposed by the  
 23 amendments made by this section, the State plan  
 24 shall not be regarded as failing to comply with the  
 25 requirements of such title solely on the basis of its

1 failure to meet these additional requirements before  
 2 the first day of the first calendar quarter beginning  
 3 after the close of the first regular session of the  
 4 State legislature that begins after the date of enact-  
 5 ment of this Act. For purposes of the previous sen-  
 6 tence, in the case of a State that has a 2-year legis-  
 7 lative session, each year of such session shall be  
 8 deemed to be a separate regular session of the State  
 9 legislature.

10 **SEC. 304. DEFINITION OF ASSISTANCE.**

11 Section 419 (42 U.S.C. 619) is amended by adding  
 12 at the end the following:

13 “(6) ASSISTANCE.—

14 “(A) IN GENERAL.—The term ‘assistance’  
 15 means cash benefits and does not include child  
 16 care or other support services.

17 “(B) EXCEPTION.—The term ‘assistance’  
 18 does not include a payment to or for an indi-  
 19 vidual or family on a short-term, nonrecurring  
 20 basis (as defined by the State in accordance  
 21 with regulations prescribed by the Secretary) or  
 22 any other benefit or service excluded from the  
 23 definition of assistance under section 260.31 of  
 24 title 45 of the Code of Federal Regulations (as  
 25 in effect on June 1, 2002).”.

1 **SEC. 305. CLARIFICATION OF AUTHORITY OF STATES TO**  
2 **USE TANF FUNDS CARRIED OVER FROM**  
3 **PRIOR YEARS TO PROVIDE TANF BENEFITS**  
4 **AND SERVICES.**

5 Section 404(e) (42 U.S.C. 604(e)) is amended to read  
6 as follows:

7 “(e) AUTHORITY TO CARRY OVER CERTAIN  
8 AMOUNTS FOR BENEFITS OR SERVICES OR FOR FUTURE  
9 CONTINGENCIES.—A State or tribe may use a grant made  
10 to the State or tribe under this part for any fiscal year  
11 to provide, without fiscal year limitation, any benefit or  
12 service that may be provided under the State or tribal pro-  
13 gram funded under this part.”.

14 **SEC. 306. AUTHORITY TO USE TANF FUNDS FOR HOUSING**  
15 **BENEFITS.**

16 (a) IN GENERAL.—Section 404 (42 U.S.C. 604) is  
17 amended by inserting at the end the following:

18 “(1) USE OF FUNDS FOR SUPPLEMENTAL HOUSING  
19 BENEFITS.—

20 “(1) IN GENERAL.—The provision by a State of  
21 supplemental housing benefits to or on behalf of an  
22 individual eligible for assistance under the State pro-  
23 gram funded under this part, using funds from a  
24 grant made under section 403(a) of this title, shall  
25 not be considered to be the provision of assistance  
26 to the individual under the State program funded

1 under this part for any purpose except in deter-  
 2 mining the allowability of the expenditure under sec-  
 3 tion 401(a)(1).

4 “(2) PERMITTED USE OF FUNDS.—A State may  
 5 not use any part of the funds from a grant made  
 6 under section 403 to supplant rather than supple-  
 7 ment State expenditures on housing-related pro-  
 8 grams.

9 “(3) DEFINITION OF SUPPLEMENTAL HOUSING  
 10 BENEFITS.—In this subsection, the term ‘supple-  
 11 mental housing benefits’ means payments made to  
 12 or on behalf of an individual to reduce or reimburse  
 13 the costs incurred by the individual for housing ac-  
 14 commodations, and the receipt of which does not re-  
 15 duce the amount of assistance, benefits, or services  
 16 an individual would otherwise receive under the  
 17 State program funded under this part or under a  
 18 program funded with qualified State expenditures  
 19 (as defined in section 409(a)(7)(B)(i)).”.

20 (b) STATE PLAN.—Section 402(a)(1)(B) (42 U.S.C.  
 21 602(a)(1)(B)) is amended by adding at the end the fol-  
 22 lowing:

23 “(v) The document shall describe—  
 24 “(I) the primary problems that  
 25 families receiving assistance and fami-

1 lies who have recently stopped receiv-  
2 ing assistance under the State pro-  
3 gram funded under this part experi-  
4 ence in securing and retaining ade-  
5 quate, affordable housing and the esti-  
6 mated extent of each such problem,  
7 including the price of such housing in  
8 various areas of the State that include  
9 a large proportion of recipients of as-  
10 sistance under the State program;

11 “(II) the steps that have been  
12 and will be taken by the State and  
13 other public or private entities that  
14 administer housing programs in the  
15 State to address the problems de-  
16 scribed in subclause (I);

17 “(III) the methods the State has  
18 adopted to identify barriers to work  
19 posed by the living arrangement,  
20 housing cost, and housing location of  
21 families eligible for the State program  
22 funded under this part; and

23 “(IV) the services and benefits  
24 that have been or will be provided by  
25 the State or other public or private



1 entities to help families overcome the  
 2 barriers so identified.”.

## 3 **TITLE IV—RESOURCES AND** 4 **ACCOUNTABILITY**

### 5 **SEC. 401. REAUTHORIZATION OF STATE FAMILY ASSIST-** 6 **ANCE GRANTS.**

7 (a) IN GENERAL.—Section 403(a)(1) (42 U.S.C.  
 8 603(a)(1)), as amended by section 3(a) of the Welfare Re-  
 9 form Extension Act of 2003 (Public Law 108–040), is  
 10 amended—

11 (1) in subparagraph (A), by striking “1996”  
 12 and all that follows through “2003” and inserting  
 13 “2004 through 2008”; and

14 (2) in subparagraph (C), by striking “for fiscal  
 15 year 2003” and inserting “for each of fiscal years  
 16 2004 through 2008”.

17 (b) DIRECT FUNDING AND ADMINISTRATION BY IN-  
 18 DIAN TRIBES.—

19 (1) TRIBAL FAMILY ASSISTANCE GRANT.—Sec-  
 20 tion 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)), as  
 21 amended by section 3(h) of the Welfare Reform Ex-  
 22 tension Act of 2003 (Public Law 108–040), is  
 23 amended by striking “1997, 1998, 1999, 2000,  
 24 2001, 2002, and 2003” and inserting “2004  
 25 through 2008”.

1           (2) GRANTS FOR INDIAN TRIBES THAT RE-  
 2           CEIVED JOBS FUNDS.—Section 412(a)(2)(A) (42  
 3           U.S.C. 612(a)(2)(A)), as so amended, is amended by  
 4           striking “1997, 1998, 1999, 2000, 2001, 2002, and  
 5           2003” and inserting “2004 through 2008”.

6           (c) MATCHING GRANTS FOR THE TERRITORIES.—  
 7           Section 1108(b)(2) (42 U.S.C. 1308(b)(2)), as so amend-  
 8           ed, is amended by striking “1997 through 2003” and in-  
 9           serting “2004 through 2008”.

10          (d) MAINTENANCE OF EFFORT PENALTY.—Section  
 11          409(a)(7) (42 U.S.C. 609(a)(7)), as amended by section  
 12          3(g) of the Welfare Reform Extension Act of 2003 (Public  
 13          Law 108–040) is amended—

14               (1) in subparagraph (A) by striking “fiscal year  
 15               1998, 1999, 2000, 2001, 2002, 2003, or 2004” and  
 16               inserting “fiscal year 2004, 2005, 2006, 2007, 2008,  
 17               or 2009”; and

18               (2) in subparagraph (B)(ii), by striking “1997  
 19               through 2003” and inserting “2004 through 2008”.

20          (e) FEDERAL LOANS FOR STATE WELFARE PRO-  
 21          GRAMS.—Section 406(d) (42 U.S.C. 606(d), as amended  
 22          by section 3(f) of the Welfare Reform Extension Act of  
 23          2003 (Public Law 108–040) is amended by striking “1997  
 24          through 2003” and inserting “2004 through 2008”.

1 **SEC. 402. REAUTHORIZATION OF SUPPLEMENTAL GRANTS**  
 2 **FOR POPULATION INCREASES.**

3 Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)), as  
 4 amended by section 3(d) of the Welfare Reform Extension  
 5 Act of 2003 (Public Law 108–040), is amended—

6 (1) in the subparagraph heading, by striking  
 7 “OF GRANTS FOR FISCAL YEAR 2002”;

8 (2) in clause (i), by striking “2002 and 2003”  
 9 and inserting “2004 through 2008”;

10 (3) in clause (ii), by striking “2003” and in-  
 11 serting “2008”; and

12 (4) in clause (iii), by striking “2002 and 2003”  
 13 and inserting “2004 through 2008”.

14 **SEC. 403. CONTINGENCY FUND.**

15 (a) CONTINGENCY FUNDING AVAILABLE TO NEEDY  
 16 STATES.—Section 403(b) (42 U.S.C. 603(b)) is amend-  
 17 ed—

18 (1) by striking paragraphs (1) through (3) and  
 19 inserting the following:

20 “(1) CONTINGENCY FUND GRANTS.—

21 “(A) PAYMENTS.—Subject to subpara-  
 22 graph (C), each State shall receive a contin-  
 23 gency fund grant for each eligible month in  
 24 which the State is a needy State under para-  
 25 graph (3).

1           “(B) MONTHLY CONTINGENCY FUND  
 2 GRANT AMOUNT.—For each eligible month in  
 3 which a State is a needy State, the State shall  
 4 receive a contingency fund grant equal to the  
 5 higher of \$0 and the applicable percentage (as  
 6 defined in subparagraph (D)(i)) of the product  
 7 of—

8           “(i) the estimated cost of an addi-  
 9 tional recipient family (as defined in sub-  
 10 paragraph (D)(ii)); and

11           “(ii) the increase in the number of  
 12 families receiving assistance under the  
 13 State program funded under this part or a  
 14 program funded with qualified State ex-  
 15 penditures (as defined in subparagraph  
 16 (D)(iv)).

17           “(C) LIMITATION.—The total amount paid  
 18 to a single State under subparagraph (A) dur-  
 19 ing a fiscal year shall not exceed the amount  
 20 equal to 15 percent of the State family assist-  
 21 ance grant (as defined under subparagraph (B)  
 22 of subsection (a)(1) and increased under sub-  
 23 paragraph (E) of that subsection).

24           “(D) DEFINITIONS.—In this paragraph:

1 “(i) APPLICABLE PERCENTAGE.—The  
 2 term ‘applicable percentage’ means the  
 3 higher of—

4 “(I) 75 percent; and

5 “(II) the sum of the Federal  
 6 medical assistance percentage for the  
 7 State (as defined in section 1905(b))  
 8 plus 8 percentage points.

9 “(ii) ESTIMATED COST OF AN ADDI-  
 10 TIONAL RECIPIENT FAMILY.—The term  
 11 ‘estimated cost of an additional recipient  
 12 family’ means the amount equal to 120  
 13 percent of the basic assistance cost (as de-  
 14 fined under clause (iii)) for families receiv-  
 15 ing assistance under the State program  
 16 funded under this part or under a program  
 17 funded with qualified State expenditures  
 18 (as defined in section 409(a)(7)(B)(i)).

19 “(iii) BASIC ASSISTANCE COST.—

20 “(I) IN GENERAL.—The term  
 21 ‘basic assistance cost’ means the  
 22 amount equal to the maximum cash  
 23 assistance grant for a family con-  
 24 sisting of 3 individuals under the  
 25 State program funded under this part.

1                   “(II) RULE FOR STATES WITH  
2                   MORE THAN 1 MAXIMUM LEVEL.—In  
3                   the case of a State that has more  
4                   than 1 maximum cash assistance  
5                   grant level for families consisting of 3  
6                   individuals, the basic assistance cost  
7                   shall be the amount equal to the max-  
8                   imum cash assistance grant level ap-  
9                   plicable to the largest number of fami-  
10                  lies consisting of 3 individuals receiv-  
11                  ing assistance under the State pro-  
12                  gram funded under this part or a  
13                  State program funded with qualified  
14                  State expenditures (as defined in sec-  
15                  tion 409(a)(7)(B)(i)).

16                  “(iv) INCREASE IN THE NUMBER OF  
17                  FAMILIES RECEIVING ASSISTANCE UNDER  
18                  THE STATE PROGRAM FUNDED UNDER  
19                  THIS PART OR A PROGRAM FUNDED WITH  
20                  QUALIFIED STATE EXPENDITURES.—The  
21                  term ‘increase in the number of families  
22                  receiving assistance under the State pro-  
23                  gram funded under this part or a program  
24                  funded with qualified State expenditures’  
25                  means the increase in—

1           “(I) the number of families re-  
2           ceiving assistance under the State  
3           program funded under this part and  
4           under a program funded with quali-  
5           fied State expenditures (as defined in  
6           section 409(a)(7)(B)(i)) in the most  
7           recent month for which data from the  
8           State are available; as compared to

9           “(II) the lower of the average  
10          monthly number of families receiving  
11          such assistance in either of the 2 com-  
12          pleted fiscal years immediately pre-  
13          ceding the fiscal year in which the  
14          State qualifies as a needy State.

15          “(E) APPROPRIATION.—Out of any money  
16          in the Treasury of the United States not other-  
17          wise appropriated, there are appropriated for  
18          the period of fiscal years 2004 through 2008,  
19          such sums as are necessary for making contin-  
20          gency fund grants under this subsection in a  
21          total amount not to exceed \$2,000,000,000.”;

22          (2) by redesignating paragraph (4) as para-  
23          graph (2); and

24          (3) in paragraph (2), as so redesignated—

1 (A) by striking “(3)(A)” and inserting  
2 “(1)”; and

3 (B) by striking “2-month” and inserting  
4 “3-month”.

5 (b) MODIFICATION OF DEFINITION OF NEEDY  
6 STATE.—Section 403(b) (42 U.S.C. 603(b)) is further  
7 amended—

8 (1) by striking paragraphs (5) through (7);

9 (2) by redesignating paragraph (8) as para-  
10 graph (5); and

11 (3) by inserting after paragraph (2) (as redesign-  
12 nated by subsection (a)(2)) the following:

13 “(3) INITIAL DETERMINATION OF WHETHER A  
14 STATE QUALIFIES AS A NEEDY STATE.—

15 “(A) IN GENERAL.—For purposes of para-  
16 graph (1), a State will be initially determined to  
17 be a needy State for a month if the State satis-  
18 fies at least 2 of the following:

19 “(i) The—

20 “(I) average rate of total unem-  
21 ployment in the State for the period  
22 consisting of the most recent 3  
23 months for which data are available  
24 has increased by the lesser of 1.5 per-  
25 centage points or by 50 percent over



1 the corresponding 3-month period in  
2 either of the 2 most recent preceding  
3 fiscal years; or

4 “(II) average insured unemploy-  
5 ment rate for the most recent 3  
6 months for which data are available  
7 has increased by 1 percentage point  
8 over the corresponding 3-month pe-  
9 riod in either of the 2 most recent  
10 preceding fiscal years.

11 “(ii) As determined by the Secretary  
12 of Agriculture, the monthly average num-  
13 ber of households (as of the last day of  
14 each month) that participated in the food  
15 stamp program in the State in the then  
16 most recently concluded 3-month period  
17 for which data are available exceeds by at  
18 least 10 percent the monthly average num-  
19 ber of households (as of the last day of  
20 each month) in the State that participated  
21 in the food stamp program in the cor-  
22 responding 3-month period in either of the  
23 2 most recent preceding fiscal years, pro-  
24 vided that the Secretary makes a deter-  
25 mination that the State’s increase in the

1 number of such households was due, in  
2 large measure, to economic conditions  
3 rather than an expansion of program eligi-  
4 bility requirements.

5 “(iii) As determined by the Secretary,  
6 the monthly average number of families  
7 that received assistance under the State  
8 program funded under this part or under  
9 a program funded with qualified State ex-  
10 penditures (as defined in section  
11 409(a)(7)(B)(i)) in the most recently con-  
12 cluded 3-month period for which data are  
13 available from the State increased by at  
14 least 10 percent over the number of such  
15 families that received such benefits in the  
16 corresponding 3-month period in either of  
17 the 2 most recent preceding fiscal years,  
18 provided that the Secretary makes a deter-  
19 mination that the State’s increased case-  
20 load was due, in large measure, to eco-  
21 nomic conditions rather than an expansion  
22 of program eligibility requirements.

23 “(B) DURATION.—

24 “(i) IN GENERAL.—A State that  
25 qualifies as a needy State—

1                   “(I) under subparagraph (A)(i),  
2                   shall be considered a needy State until  
3                   the factor which was used to meet the  
4                   definition of needy State under that  
5                   subparagraph for the most recently  
6                   concluded 3-month period for which  
7                   data are available, falls below the level  
8                   attained for such factor in the 3-  
9                   month period in which the State first  
10                  qualified as a needy State under that  
11                  subparagraph;

12                  “(II) under subparagraph (A)(ii),  
13                  shall be considered a needy State until  
14                  the average monthly number of house-  
15                  holds participating in the food stamp  
16                  program for the most recently con-  
17                  cluded 3-month period for which data  
18                  are available nationally falls below the  
19                  food stamp base period level; and

20                  “(III) under subparagraph  
21                  (A)(iii), shall be considered a needy  
22                  State until the number of families re-  
23                  ceiving assistance under the State  
24                  program funded under this part or  
25                  under a program funded with quali-

1           fied State expenditures (as defined in  
 2           section 409(a)(7)(B)(i)) for the most  
 3           recently concluded 3-month period for  
 4           which data are available falls below  
 5           the TANF base period level.

6           “(ii) SEASONAL VARIATIONS.—Not-  
 7           withstanding subclauses (II) and (III) of  
 8           clause (i), a State shall be considered a  
 9           needy State—

10                   “(I) under subparagraph (A)(ii),  
 11           if with respect to the State, the  
 12           monthly average number of house-  
 13           holds participating in the food stamp  
 14           program for the most recent 3-month  
 15           period for which data are available na-  
 16           tionally falls below the food stamp  
 17           base period level and the Secretary  
 18           determines that this is due to ex-  
 19           pected seasonal variations in food  
 20           stamp receipt in the State; and

21                   “(II)     under     subparagraph  
 22           (A)(iii), if, with respect to a State, the  
 23           monthly average number of families  
 24           receiving assistance under the State  
 25           program funded under this part or

1 under a program funded with quali-  
2 fied State expenditures (as defined in  
3 section 409(a)(7)(B)(i)) for the most  
4 recently concluded 3-month period for  
5 which data are available nationally  
6 falls below the TANF base period  
7 level and the Secretary determines  
8 that this is due to expected seasonal  
9 variations in assistance receipt in the  
10 State.

11 “(iii) FOOD STAMP BASE PERIOD  
12 LEVEL.—In this subparagraph, the term  
13 ‘food stamp base period level’ means the  
14 monthly average number of households  
15 participating in the food stamp program  
16 that corresponds to the most recent 3-  
17 month period for which data are available  
18 at the time when the State first was deter-  
19 mined to be a needy State under this para-  
20 graph.

21 “(iv) TANF BASE PERIOD LEVEL.—  
22 In this subparagraph, the term ‘TANF  
23 base period level’ means the monthly aver-  
24 age number of families receiving assistance  
25 under the State program funded under this

part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) that corresponds to the most recent 3 months for which data are available at the time when the State first was determined to be a needy State under this paragraph.

“(4) EXCEPTION.—

“(A) IN GENERAL.—Notwithstanding paragraph (3), a State that has unobligated TANF reserves from prior fiscal years that equal more than 25 percent of the total amount of grants received by the State under subsection (a) (other than welfare-to-work grants made under paragraph (5) of that subsection prior to fiscal year 1999) but not yet obligated as of the end of the preceding fiscal year shall not be a needy State under this subsection.

“(B) DEFINITION OF UNOBLIGATED TANF RESERVES.—In subparagraph (A), the term ‘unobligated TANF reserves’ means the lessor of—

“(i) the total amount of grants made to the State (regardless of the fiscal year in which such funds were awarded) under

1 subsection (a) (other than welfare-to-work  
2 grants made under paragraph (5) of that  
3 subsection prior to fiscal year 1999) but  
4 not yet obligated as of the end of the pre-  
5 ceding fiscal year; and

6 “(ii) the total amount of grants made  
7 to the State under subsection (a) (other  
8 than welfare-to-work grants made under  
9 paragraph (5) of that subsection prior to  
10 fiscal year 1999) but not yet obligated as  
11 of the end of the preceding fiscal year, plus  
12 the difference between—

13 “(I) the pro rata share of the fis-  
14 cal year grants to be made under sub-  
15 section (a) to the State (other than  
16 such welfare-to-work grants); and

17 “(II) current year obligations of  
18 the total amount of grants made to all  
19 States under subsection (a) (regard-  
20 less of the fiscal year in which such  
21 funds were awarded) (other than such  
22 welfare-to-work grants) through the  
23 end of the most recent calendar quar-  
24 ter.”.

1       (c) CLARIFICATION OF REPORTING REQUIRE-  
 2 MENTS.—Paragraph (5) of section 403(b) (42 U.S.C.  
 3 603(b)), as redesignated by subsection (b)(2), is amended  
 4 by striking “on the status of the Fund” and inserting “on  
 5 the States that qualified for contingency funds and the  
 6 amount of funding awarded under this subsection”.

7 **SEC. 404. CHILD CARE.**

8       Section 418(a) (42 U.S.C. 618(a)), as amended by  
 9 section 4 of the Welfare Reform Extension Act of 2003,  
 10 is amended—

11           (1) in paragraph (1), in the matter preceding  
 12 subparagraph (A), by inserting “and remaining after  
 13 the reservation described in paragraph (4),” after  
 14 “paragraph (3)”;

15           (2) in paragraph (3)—

16               (A) by striking “and” at the end of sub-  
 17 paragraph (E);

18               (B) in subparagraph (F), by striking  
 19 “2002 and 2003” and inserting “2002 through  
 20 2006;”; and

21               (C) by adding at the end the following:

22                   “(G) \$3,217,000,000 for fiscal year 2007;

23                   “(H) \$3,717,000,000 for fiscal year  
 24 2008.”;



1           (3) by redesignating paragraph (5) as para-  
2 graph (7); and

3           (4) by inserting after paragraph (4) the fol-  
4 lowing:

5           “(5) ADDITIONAL GENERAL ENTITLEMENT  
6 GRANTS.—

7           “(A) APPROPRIATION.—

8           “(i) IN GENERAL.—For additional  
9 grants under paragraph (1), there is ap-  
10 propriated—

11           “(I) \$750,000,000 for each of  
12 fiscal years 2004 and 2005; and

13           “(II) \$1,000,000,000 for each of  
14 fiscal years 2006 through 2008.

15           “(ii) AMOUNTS IN ADDITION TO  
16 OTHER AMOUNTS APPROPRIATED; AVAIL-  
17 ABILITY.—Amounts appropriated under  
18 this subparagraph for a fiscal year shall be  
19 in addition to amounts appropriated under  
20 paragraph (3) for such fiscal year and  
21 shall remain available without fiscal year  
22 limitation.

23           “(B) ADDITIONAL GRANT.—In addition to  
24 the grant paid to a State under paragraph (1)  
25 for each of fiscal years 2004 through 2008, the

1 Secretary, after reserving the amount described  
2 in paragraph (4) and subject to the requirement  
3 described in paragraph (6), shall pay each State  
4 an amount equal to the same proportion of such  
5 amount as the proportion of the State's grant  
6 under paragraph (1) to the total amount appro-  
7 priated for State grants under paragraph (1)  
8 for such fiscal year.

9 “(6) REQUIREMENT FOR GRANT INCREASE.—  
10 Notwithstanding paragraphs (1), (2), or (5), the ag-  
11 gregate amount paid to a State under this section  
12 for each of fiscal years 2004 through 2008 may not  
13 exceed the aggregate amount paid to the State  
14 under this section for fiscal year 2003 unless the  
15 State ensures that the level of State expenditures for  
16 child care for such fiscal year is not less than the  
17 sum of the level of State expenditures for child care  
18 that were matched under a grant made to the State  
19 under paragraph (2) and that the State expended to  
20 meet its maintenance of effort obligation under  
21 paragraph (2) for fiscal year 2003.”.

1 **SEC. 405. RESTORATION OF FUNDING FOR THE SOCIAL**  
 2 **SERVICES BLOCK GRANT.**

3 (a) RESTORATION OF FUNDS FOR THE SOCIAL SERV-  
 4 ICES BLOCK GRANT.—Section 2003(c) (42 U.S.C.  
 5 1379b(c)) is amended—

- 6 (1) in paragraph (10), by striking “and”;  
 7 (2) in paragraph (11), by striking “and each  
 8 fiscal year thereafter.” and inserting “; and”; and  
 9 (3) by adding at the end the following:  
 10 “(12) \$1,750,000,000 for fiscal year 2004;  
 11 “(13) \$1,800,000,000 for fiscal year 2005;  
 12 “(14) \$1,900,000,000 for fiscal year 2006;  
 13 “(15) \$2,100,000,000 for fiscal year 2007; and  
 14 “(16) \$2,800,000,000 for fiscal year 2008 and  
 15 each fiscal year thereafter.”.

16 (b) RESTORATION OF AUTHORITY TO TRANSFER UP  
 17 TO 10 PERCENT OF TANF FUNDS.—Section 404(d)(2)  
 18 (42 U.S.C. 604(d)(2)) is amended to read as follows:

19 “(2) LIMITATION ON AMOUNT TRANSFERABLE  
 20 TO TITLE XX PROGRAMS.—A State may use not  
 21 more than 10 percent of the amount of any grant  
 22 made to the State under section 403(a) for a fiscal  
 23 year to carry out State programs pursuant to title  
 24 XX.”.

1 **SEC. 406. COMPETITIVE GRANTS FOR PUBLIC-PRIVATE**  
2 **PARTNERSHIPS FOR EDUCATIONAL OPPOR-**  
3 **TUNITIES FOR CAREER ADVANCEMENT.**

4 (a) **AUTHORITY TO AWARD GRANTS.—**

5 (1) **IN GENERAL.**—The Secretary of Health and  
6 Human Services and the Secretary of Labor (in this  
7 section referred to as the “Secretaries”) jointly shall  
8 award grants in accordance with the requirements of  
9 this section for each fiscal year for which an amount  
10 is appropriated to carry out this section for projects  
11 proposed by eligible applicants to encourage the for-  
12 mation of public-private partnerships to provide edu-  
13 cational opportunities for individuals who receive as-  
14 sistance under the temporary assistance to needy  
15 families program funded under part A of title IV of  
16 the Social Security Act (42 U.S.C. 601 et seq.) and  
17 for individuals who have ceased to receive assistance  
18 under that program.

19 (2) **CRITERIA.**—The Secretaries shall award  
20 grants under this section based on the following:

21 (A) The potential effectiveness of the pro-  
22 posed project in carrying out the activities de-  
23 scribed in subsection (e).

24 (B) Evidence of the ability of the eligible  
25 applicant to leverage private, State, and local  
26 resources to carry out such activities.

1 (C) Evidence of the ability of the eligible  
2 applicant to coordinate with other organizations  
3 at the State and local level in carrying out such  
4 activities.

5 (b) DEFINITION OF ELIGIBLE APPLICANT.—In this  
6 section, the term “eligible applicant” means—

7 (1) a public educational institution;

8 (2) an employer; or

9 (3) a local or regional consortium that includes  
10 employers or employer associations, education and  
11 training providers, local chambers of commerce, or  
12 providers of social services.

13 (c) APPLICATION.—Each eligible applicant desiring a  
14 grant under this section shall submit an application to the  
15 Secretaries at such time, in such manner, and that in-  
16 cludes—

17 (1) evidence, including letters of support, dem-  
18 onstrating that the applicant will work with the  
19 State in carrying out the activities described in sub-  
20 section (e); and

21 (2) such other information as the Secretaries  
22 may reasonably require.

23 (d) DETERMINATION OF AMOUNT OF GRANTS;  
24 AVAILABILITY OF FUNDS.—

1           (1) IN GENERAL.—In determining the appro-  
 2       pate amount of a grant to be awarded under this  
 3       section, the Secretaries shall provide an eligible ap-  
 4       plicant with an approved application an amount suf-  
 5       ficient to ensure that the project has a reasonable  
 6       opportunity to be successful, taking into account—

7                   (A) the number and characteristics of the  
 8       individuals to be served by the project;

9                   (B) the job opportunities and job growth  
 10      in the area to be served by the project;

11                  (C) the poverty rate for such area; and

12                  (D) such other factors as the Secretaries  
 13      deem appropriate.

14           (2) MAXIMUM AMOUNT.—No eligible applicant  
 15      shall receive a grant of more than \$5,000,000 per  
 16      year.

17           (3) AVAILABILITY OF FUNDS.—Funds provided  
 18      under a grant awarded under this section for a fiscal  
 19      year shall remain available for use by the eligible ap-  
 20      plicant through the end of the succeeding fiscal year.

21           (e) USE OF FUNDS.—An eligible applicant awarded  
 22      a grant under this section shall enter into an agreement  
 23      with the State or local agency responsible for admin-  
 24      istering the temporary assistance to needy families pro-

1 gram in the area where the eligible applicant is located  
2 to provide individuals described in subsection (a) with—

3 (1) educational credits or opportunities based  
4 upon the length of the individual's employment;

5 (2) educational credits or opportunities based  
6 upon the individual's commitment to becoming em-  
7 ployed; or

8 (3) education and training opportunities for ca-  
9 reer advancement.

10 (f) REPORTS.—

11 (1) PROJECT REPORTS.—Each eligible appli-  
12 cant awarded a grant under this section shall submit  
13 to the Secretaries such information and data regard-  
14 ing the recipients participating in the project funded  
15 under such grant and outcomes for such recipients  
16 as the Secretaries may require.

17 (2) REPORT TO CONGRESS.—The Secretaries  
18 shall submit annual reports to Congress on the in-  
19 formation and data submitted under paragraph (1).

20 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
21 are authorized to be appropriated to carry out this section,  
22 \$25,000,000 for each of fiscal years 2004 through 2008.

1 **SEC. 407. GRANTS TO IMPROVE ACCESS TO TRANSPOR-**  
 2 **TATION.**

3 (a) IN GENERAL.—Section 403(a) (42 U.S.C.  
 4 603(a)), as amended by section 201, is amended by adding  
 5 at the end the following:

6 “(7) GRANT TO IMPROVE ACCESS TO TRANS-  
 7 PORTATION.—

8 “(A) PURPOSES.—The purposes of this  
 9 paragraph are to—

10 “(i) assist low-income families with  
 11 children obtain dependable, affordable  
 12 automobiles to improve their employment  
 13 opportunities and access to training; and

14 “(ii) provide incentives to States, In-  
 15 dian tribes, local governments, and non-  
 16 profit entities to develop and administer  
 17 programs that provide assistance with  
 18 automobile ownership for low-income fami-  
 19 lies.

20 “(B) DEFINITIONS.—In this paragraph:

21 “(i) LOCALITY.—The term ‘locality’  
 22 means a municipality that does not admin-  
 23 ister a State program funded under this  
 24 part.

25 “(ii) LOW-INCOME FAMILY WITH  
 26 CHILDREN.—The term ‘low-income family



1           with children’ means a household that is  
2           eligible for benefits or services funded  
3           under the State program funded under this  
4           part or under a program funded with  
5           qualified State expenditures (as defined in  
6           section 409(a)(7)(B)(i)).

7           “(iii) NONPROFIT ENTITY.—The term  
8           ‘nonprofit entity’ means a school, local  
9           agency, organization, or institution owned  
10          and operated by 1 or more nonprofit cor-  
11          porations or associations, no part of the  
12          net earnings of which inures, or may law-  
13          fully inure, to the benefit of any private  
14          shareholder or individual.

15          “(C) AUTHORITY TO AWARD GRANTS.—  
16          The Secretary may award grants to States, In-  
17          dian tribes, counties, localities, and nonprofit  
18          entities to promote improving access to depend-  
19          able, affordable automobiles by low-income fam-  
20          ilies with children.

21          “(D) GRANT APPROVAL CRITERIA.—The  
22          Secretary shall establish criteria for approval of  
23          an application for a grant under this paragraph  
24          that include consideration of—

1 “(i) the extent to which the proposal,  
 2 if funded, is likely to improve access to  
 3 training and employment opportunities and  
 4 child care services by low-income families  
 5 with children by means of car ownership;

6 “(ii) the level of innovation in the ap-  
 7 plicant’s grant proposal; and

8 “(iii) any partnerships between the  
 9 public and private sector in the applicant’s  
 10 grant proposal.

11 “(E) USE OF FUNDS.—

12 “(i) IN GENERAL.—A grant awarded  
 13 under this paragraph shall be used to ad-  
 14 minister programs that assist low-income  
 15 families with children with dependable  
 16 automobile ownership, and maintenance of,  
 17 or insurance for, the purchased auto-  
 18 mobile.

19 “(ii) SUPPLEMENT NOT SUPPLANT.—  
 20 Funds provided to a State, Indian tribe,  
 21 county, or locality under a grant awarded  
 22 under this paragraph shall be used to sup-  
 23 plement and not supplant other State,  
 24 county, or local public funds expended for  
 25 car ownership programs.

1                   “(iii) GENERAL RULES GOVERNING  
2                   USE OF FUNDS.—The rules of section 404,  
3                   other than subsection (b) of that section,  
4                   shall not apply to a grant made under this  
5                   paragraph.

6                   “(F) APPLICATION.—Each applicant desir-  
7                   ing a grant under this paragraph shall submit  
8                   an application to the Secretary at such time, in  
9                   such manner, and accompanied by such infor-  
10                  mation as the Secretary may reasonably re-  
11                  quire.

12                  “(G) REVERSION OF FUNDS.—Any funds  
13                  not expended by a grantee within 3 years after  
14                  the date the grant is awarded under this para-  
15                  graph shall be available for redistribution  
16                  among other grantees in such manner and  
17                  amount as the Secretary may determine, unless  
18                  the Secretary extends by regulation the time pe-  
19                  riod to expend such funds.

20                  “(H) LIMITATION ON ADMINISTRATIVE  
21                  COSTS OF THE SECRETARY.—Not more than an  
22                  amount equal to 5 percent of the funds appro-  
23                  priated to make grants under this paragraph  
24                  for a fiscal year shall be expended for adminis-

trative costs of the Secretary in carrying out this paragraph.

“(I) EVALUATION.—The Secretary shall, by grant, contract, or interagency agreement, conduct an evaluation of the programs administered with grants awarded under this paragraph.

“(J) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to make grants under this paragraph, \$20,000,000 for each of fiscal years 2004 through 2008.”.

(b) IMPROVING USE OF TANF FUNDS FOR CAR OWNERSHIP MATCHING FUNDS.—Section 404(h)(2)(B) of the Social Security Act (42 U.S.C. 608(h)(2)(B)) is amended by adding at the end the following:

“(iv) AUTOMOBILE PURCHASE OR MAINTENANCE.—At the option of the State, costs with respect to the purchase or maintenance of an automobile.”.

**SEC. 408. PATHWAY TO SELF-SUFFICIENCY GRANTS TO IMPROVE COORDINATION OF ASSISTANCE FOR LOW-INCOME FAMILIES.**

(a) DEFINITIONS.—In this section:

1           (1) ELIGIBLE APPLICANT.—The term “eligible  
2           applicant” means a State or local government agen-  
3           cy or a nonprofit entity.

4           (2) SECRETARY.—The term “Secretary” means  
5           the Secretary of Health and Human Services.

6           (3) STATE.—The term “State” means each of  
7           the 50 States of the United States, the District of  
8           Columbia, the Commonwealth of Puerto Rico, Amer-  
9           ican Samoa, Guam, and the United States Virgin Is-  
10          lands.

11          (4) SUPPORT PROGRAM FOR LOW-INCOME FAMI-  
12          LIES.—The term “support program for low-income  
13          families” means a program designed to provide low-  
14          income families and noncustodial parents who need  
15          help with obtaining employment and fulfilling child  
16          support obligations to children receiving assistance  
17          under the temporary assistance to needy families  
18          program established under part A of title IV of the  
19          Social Security Act (42 U.S.C. 601 et seq.) with as-  
20          sistance or benefits to enable the family or noncusto-  
21          dial parent to become self-sufficient and includes—

22                (A) the temporary assistance to needy fam-  
23                ilies program established under part A of title  
24                IV of the Social Security Act (42 U.S.C. 601 et  
25                seq.);

1 (B) the food stamp program established  
2 under the Food Stamp Act of 1977 (7 U.S.C.  
3 2011 et seq.);

4 (C) the medicaid program funded under  
5 title XIX of the Social Security Act (42 U.S.C.  
6 1396 et seq.);

7 (D) the State children's health insurance  
8 program (SCHIP) funded under title XXI of  
9 the Social Security Act (42 U.S.C. 1397aa et  
10 seq.);

11 (E) the child care program funded under  
12 the Child Care Development Block Grant Act of  
13 1990 (42 U.S.C. 9858 et seq.);

14 (F) the child support program funded  
15 under part D of title IV of the Social Security  
16 Act (42 U.S.C. 651 et seq.);

17 (G) the earned income tax credit under  
18 section 32 of the Internal Revenue Code of  
19 1986;

20 (H) the low-income home energy assistance  
21 program (LIHEAP) established under the Low-  
22 Income Home Energy Assistance Act of 1981  
23 (42 U.S.C. 8621 et seq.);

24 (I) the special supplemental nutrition pro-  
25 gram for women, infants, and children (WIC)

1 established under section 17 of the Child Nutri-  
2 tion Act of 1966 (42 U.S.C. 1786);

3 (J) programs under the Workforce Invest-  
4 ment Act of 1998 (29 U.S.C. 2801 et seq.);

5 (K) programs supporting low-income hous-  
6 ing assistance programs; and

7 (L) any other Federal, State, or locally  
8 funded program designed to provide family and  
9 work support to low-income families.

10 (b) AUTHORITY TO AWARD GRANTS.—

11 (1) IN GENERAL.—The Secretary may award  
12 grants to eligible applicants to—

13 (A) improve the coordination of support  
14 programs for low-income families and noncusto-  
15 dial parents described in subsection (a)(4); and

16 (B) conduct outreach to such families and  
17 noncustodial parents to promote enrollment in  
18 such programs.

19 (2) PREFERENCE.—In awarding grants under  
20 this section, the Secretary shall give preference to el-  
21 igible applicants that include in the application sub-  
22 mitted under subsection (c) documentation dem-  
23 onstrating that the eligible applicant will collaborate  
24 with other Federal, State, or local agencies or non-

1 profit entities in carrying out activities under the  
2 grant.

3 (c) APPLICATION.—Each eligible applicant desiring a  
4 grant under this section shall submit an application to the  
5 Secretary at such time, in such manner, and accompanied  
6 by such information as the Secretary may require.

7 (d) ANNUAL REPORTS.—

8 (1) IN GENERAL.—The Secretary shall submit  
9 an interim and final report to Congress describing  
10 the uses of grant funds awarded under this section.

11 (2) DATES FOR SUBMISSION.—With respect to  
12 the reports required under paragraph (1), the Sec-  
13 retary shall submit—

14 (A) the interim report, not later than De-  
15 cember 31, 2006; and

16 (B) the final report, not later than Decem-  
17 ber 31, 2009.

18 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
19 authorized to be appropriated to carry out this section  
20 \$50,000,000 for the period of fiscal years 2004 through  
21 2008.

22 (f) ANNUAL ASSESSMENT OF REGIONAL LABOR  
23 MARKETS TO TARGET HIGHER ENTRY LEVEL WAGE OP-  
24 PORTUNITIES IN INDUSTRIES EXPERIENCING LABOR  
25 SHORTAGES.—



1           (1) IN GENERAL.—An State to which a grant  
2           is made under this section annually shall conduct an  
3           assessment of its regional labor markets that in-  
4           cludes the following:

5                   (A) LABOR MARKET.—The assessment  
6           shall—

7                           (i) identify industries or occupations  
8                           that have or expect growth, the loss of  
9                           skilled workers, or that have a demand for  
10                          a subset of workers;

11                          (ii) identify the entry-level education  
12                          and skills requirements for the industries  
13                          or occupations that have or anticipate a  
14                          need for workers; and

15                          (iii) analyze the entry-level wages and  
16                          benefits in identified industries or occupa-  
17                          tions.

18                   (B) JOB SEEKERS.—The assessment shall  
19           create a profile of the characteristics of the un-  
20           employed and underemployed residents of the  
21           State, including educational attainment, bar-  
22           riers to employment, geographic concentrations,  
23           and access to needed support services.

24                   (C) EDUCATION AND TRAINING INFRA-  
25           STRUCTURE.—The assessment shall create a

1 profile of the State's available education, train-  
2 ing, and support services to prepare workers for  
3 the identified industries or occupations.

4 (D) ALIGNING INDUSTRIES AND JOB SEEK-  
5 ER NEEDS.—The assessment shall compare the  
6 characteristics of the identified industries or oc-  
7 cupations to the profiles created under subpara-  
8 graphs (B) and (C).

9 (2) PROVISION OF INFORMATION TO LOCAL-  
10 ITIES.—The State shall share with local political  
11 subdivisions of the State—

12 (A) information regarding the existence of  
13 higher entry-wage job opportunities in indus-  
14 tries experiencing labor shortages; and

15 (B) opportunities for collaboration with in-  
16 stitutions of higher education, community-based  
17 organizations, and economic development and  
18 welfare agencies.

19 (3) DATA.—A State may use data available as  
20 of the date the State begins an assessment under  
21 paragraph (1) to conduct such assessment if such  
22 data provides the information necessary to conduct  
23 the assessment described in that paragraph.

24 (4) REPORTS.—

1 (A) STATE REPORTS.—Each State to  
 2 which a grant is made under this section annu-  
 3 ally shall submit a report to the Secretary that  
 4 contains the assessment required under para-  
 5 graph (1).

6 (B) REPORT TO CONGRESS.—The Sec-  
 7 retary annually shall submit a report to Con-  
 8 gress compiling the State reports submitted  
 9 under subparagraph (A).

10 **SEC. 409. TRANSITIONAL JOBS PROGRAMS.**

11 Section 403(a) (42 U.S.C. 603(a)), as amended by  
 12 section 407(a), is amended by adding at the end the fol-  
 13 lowing:

14 “(8) TRANSITIONAL JOBS GRANTS.—

15 “(A) PURPOSE.—The purpose of this para-  
 16 graph is to provide funding so that States and  
 17 localities can create and expand transitional  
 18 jobs programs that—

19 “(i) combine time-limited employment  
 20 that is subsidized with public funds, with  
 21 skill development and barrier removal ac-  
 22 tivities, pursuant to an individualized plan;

23 “(ii) provide job development and  
 24 placement assistance to individual program  
 25 participants to help them move from sub-

sidized employment in transitional jobs into unsubsidized employment, as well as retention services after the transition to unsubsidized employment; and

“(iii) serve recipients of assistance under the State program funded under this part and other low-income individuals who have been unable to secure employment through job search or other employment-related services because of limited skills, experience, or other barriers to employment.

“(B) LIMITATIONS ON USE OF FUNDS.—

“(i) ALLOWABLE ACTIVITIES.—An entity to which funds are provided under this paragraph shall use the funds to operate transitional jobs programs consistent with the following:

“(I) An entity which secures a grant to operate a transitional jobs program (in this subparagraph referred to as a ‘program operator’), under this paragraph shall place eligible individuals in temporary, publicly subsidized jobs. Individuals placed in

1 such jobs shall perform work directly  
2 for the program operator, or at other  
3 public and nonprofit organizations (in  
4 this subparagraph referred to as  
5 ‘worksite employers’) within the com-  
6 munity. Funds provided under this  
7 paragraph shall be used to subsidize  
8 100 percent of the wages paid to pro-  
9 gram participants as well as employer-  
10 paid payroll costs for such partici-  
11 pants.

12 “(II) Transitional jobs programs  
13 shall provide paid employment for not  
14 less than 30, nor more than 40 hours  
15 per week, except that a parent with a  
16 child under the age of 6, a child who  
17 is disabled, or a child with other spe-  
18 cial needs, or an individual who for  
19 other reasons cannot successfully par-  
20 ticipate for 30 to 40 hours per week,  
21 may, at State discretion, be allowed to  
22 participate for more limited hours, but  
23 not less than 20 hours per week.

24 “(III) Program operators shall  
25 provide case management services and

1 ensure that appropriate education,  
2 training, and other services are avail-  
3 able to program participants con-  
4 sistent with an individual plan devel-  
5 oped for each such participant.

6 “(IV) Program operators shall  
7 provide job placement assistance to  
8 help program participants obtain un-  
9 subsidized employment, and shall pro-  
10 vide retention services for 12 months  
11 after entry into unsubsidized employ-  
12 ment.

13 “(V) In any work week in which  
14 a program participant is employed at  
15 least 30 hours, not less than 20 per-  
16 cent, nor more than 50 percent of  
17 scheduled hours shall involve partici-  
18 pation in education or training activi-  
19 ties designed to improve the partici-  
20 pant’s employability and potential  
21 earnings, or other services designed to  
22 reduce or eliminate any barriers that  
23 may impede the participant’s ability  
24 to secure unsubsidized employment.

1                   “(VI) The maximum duration of  
2                   any placement in a transitional jobs  
3                   program shall not be less than 6  
4                   months, nor more than 24 months.  
5                   Nothing in this subclause shall be  
6                   construed to bar a program partici-  
7                   pant from moving into unsubsidized  
8                   employment at a point prior to the  
9                   maximum duration of the program.  
10                  States may approve programs of vary-  
11                  ing durations consistent with this sub-  
12                  clause.

13                  “(VII) Program participants  
14                  shall be paid at the rate paid to un-  
15                  subsidized employees of the worksite  
16                  employer (or program operator where  
17                  work is performed directly for the pro-  
18                  gram operator) who perform com-  
19                  parable work at the worksite where  
20                  the individual is placed. If no other  
21                  employees perform the same or com-  
22                  parable work then wages shall be set,  
23                  at a minimum, at 50 percent of the  
24                  Lower Living Standard Income Level  
25                  (in this subparagraph referred to as

1 the ‘LLSIL’), as specified in section  
2 101(24) of the Workforce Investment  
3 Act of 1998, for a family of 3 based  
4 on 35 hours per week.

5 “(VIII) Program participants  
6 shall receive supervision from the  
7 worksite employer or program oper-  
8 ator consistent with the goal of ad-  
9 dressing the limited work experience  
10 and skills of program participants.

11 “(ii) CONSULTATION.—An application  
12 submitted by an entity seeking to become  
13 a program operator shall include an assur-  
14 ance by the applicant that the transitional  
15 jobs program carried out by the applicant  
16 shall—

17 “(I) provide in the design, re-  
18 cruitment, and operation of the pro-  
19 gram for broad-based input from the  
20 community served and potential par-  
21 ticipants in the program and commu-  
22 nity-based agencies with a dem-  
23 onstrated record of experience in pro-  
24 viding services, prospective worksite  
25 employers, local labor organizations



1 representing employees of prospective  
2 worksite employers, if these entities  
3 exist in the area to be served by the  
4 program, and employers, and member-  
5 ship-based groups that represent low-  
6 income individuals; and

7 “(II) prior to the placement of  
8 program participants, consult with the  
9 appropriate local labor organization, if  
10 any, representing employees in the  
11 area who are engaged in the same or  
12 similar work as that proposed to be  
13 carried out by such program.

14 “(iii) ELIGIBILITY FOR OTHER WORK  
15 SUPPORTS.—Program participants shall be  
16 eligible for subsidized child care, transpor-  
17 tation assistance, and other needed support  
18 services on the same basis as other recipi-  
19 ents of cash assistance under the State  
20 program funded under this part.

21 “(iv) WAGES NOT CONSIDERED AS-  
22 SISTANCE.—Wages paid to program par-  
23 ticipants shall not be considered to be as-  
24 sistance for purposes of section 408(a)(7).

1                   “(v) PRIVATE SECTOR PLACE-  
2                   MENTS.—Not more than 50 percent of the  
3                   total number of such participants in tran-  
4                   sitional jobs in a State at any time may be  
5                   placed at worksite employers which are pri-  
6                   vate, for-profit entities.

7                   “(C) GENERAL ELIGIBILITY.—

8                   “(i) IN GENERAL.—Not less than  $\frac{2}{3}$   
9                   of the participants in a transitional jobs  
10                  program funded under a grant made under  
11                  this paragraph during a fiscal year shall be  
12                  individuals who are, at the time they enter  
13                  the program—

14                  “(I) receiving assistance under  
15                  the State program funded under this  
16                  part;

17                  “(II) not receiving assistance  
18                  under the State program funded  
19                  under this part, but who are unem-  
20                  ployed, and who were recipients of  
21                  such assistance within the imme-  
22                  diately preceding 12-month period;

23                  “(III) custodial parents of a  
24                  minor child who meet the financial eli-  
25                  gibility criteria for assistance under

1 the State program funded under this  
2 part; or

3 “(IV) noncustodial parents with  
4 income below 150 percent of the pov-  
5 erty line (as defined in section 673(2)  
6 of the Omnibus Budget Reconciliation  
7 Act of 1981, including any revision re-  
8 quired by such section, applicable to a  
9 family of the size involved).

10 “(ii) LIMITATION.—Not more than  $\frac{1}{3}$   
11 of all participants in a transitional jobs  
12 program funded under this paragraph dur-  
13 ing a fiscal year shall be individuals who  
14 have attained at least age 18 with an in-  
15 come below 150 percent of the poverty line  
16 (as defined in section 673(2) of the Omni-  
17 bus Budget Reconciliation Act of 1981, in-  
18 cluding any revision required by such sec-  
19 tion, applicable to a family of the size in-  
20 volved) who are not eligible under clause  
21 (i). An individual who is an ex-offender  
22 shall be eligible to participate in a transi-  
23 tional jobs program funded under this  
24 paragraph.

1           “(iii) METHODOLOGY.—The Secretary  
 2           may use any reasonable methodology in  
 3           calculating whether program participants  
 4           satisfying the requirements of clause (i),  
 5           constitute  $\frac{2}{3}$  or more of all participants,  
 6           and whether program participants satis-  
 7           fying the requirements of clause (ii) con-  
 8           stitute not more than  $\frac{1}{3}$  of all such par-  
 9           ticipants in a fiscal year.

10           “(iv) AUTHORITY TO PROVIDE WORK-  
 11           RELATED SERVICES TO INDIVIDUALS WHO  
 12           HAVE REACHED THE 5-YEAR LIMIT.—A  
 13           program operator under this paragraph  
 14           may use the funds to provide transitional  
 15           job program participation to individuals  
 16           who, but for section 408(a)(7), would be  
 17           eligible for assistance under the program  
 18           funded under this part of the State in  
 19           which the program operator is located.

20           “(D) RELATIONSHIP TO OTHER PROVI-  
 21           SIONS OF THIS PART.—

22           “(i) RULES GOVERNING USE OF  
 23           FUNDS.—The provisions of section 404  
 24           (other than subsection (f) thereof) shall

1 not apply to a grant made under this para-  
2 graph.

3 “(ii) ADMINISTRATION.—Section 416  
4 shall not apply to the programs under this  
5 paragraph.

6 “(iii) PROHIBITION AGAINST USE OF  
7 GRANT FUNDS FOR ANY OTHER FUND  
8 MATCHING REQUIREMENT.—An entity to  
9 which funds are provided under this para-  
10 graph shall not use any part of the funds  
11 to fulfill any obligation of any State or po-  
12 litical subdivision under subsection (b) or  
13 section 418 or any other provision of this  
14 Act or other Federal law.

15 “(iv) DEADLINE FOR EXPENDI-  
16 TURE.—An entity to which funds are pro-  
17 vided under this paragraph shall remit to  
18 the Secretary of Labor any part of the  
19 funds that are not expended within 3 years  
20 after the date on which the funds are so  
21 provided.

22 “(v) REGULATIONS.—Within 90 days  
23 after the date of enactment of this para-  
24 graph, the Secretary of Labor, after con-  
25 sultation with the Secretary of Health and

1 Human Services, shall prescribe such regu-  
2 lations as may be necessary to implement  
3 this paragraph.

4 “(vi) REPORTING REQUIREMENTS.—  
5 The Secretary of Labor, in consultation  
6 with the Secretary of Health and Human  
7 Services, shall establish requirements for  
8 the collection and maintenance of financial  
9 and program participant information and  
10 the reporting of such information by enti-  
11 ties carrying out activities under this para-  
12 graph. Such reporting requirements shall  
13 include, at a minimum, that States report  
14 disaggregated data on individual program  
15 participants that include the following:

16 “(I) Demographic information  
17 about the program participant includ-  
18 ing education level, literacy level, and  
19 prior work experience.

20 “(II) Identity of the program op-  
21 erator that provides or provided serv-  
22 ices to the program participant, and  
23 the duration of participation.

1           “(III) The nature of education,  
2           training or other services received by  
3           the program participant.

4           “(IV) Reasons for the program  
5           participant’s leaving the program.

6           “(V) Whether the program par-  
7           ticipant secured unsubsidized employ-  
8           ment during or within 60 days after  
9           the employment of the participant in  
10          a transitional job, and if so, details  
11          about the participant’s unsubsidized  
12          employment including industry, occu-  
13          pation, starting wages and hours, and  
14          availability of employer sponsored  
15          health insurance and sick and vaca-  
16          tion leave.

17          “(vii) ADDITIONAL REPORTING RE-  
18          QUIREMENTS.—States shall collect and re-  
19          port followup data for a sampling of pro-  
20          gram participants reflecting their employ-  
21          ment and earning status 12 months after  
22          entering unsubsidized employment.

23          “(E) NATIONAL COMPETITIVE GRANTS.—

24                 “(i) IN GENERAL.—The Secretary of  
25          Labor shall award grants in accordance

1 with this paragraph, in fiscal years 2003  
2 through 2007, for transitional jobs pro-  
3 grams proposed by eligible applicants,  
4 based on the following:

5 “(I) The extent to which the pro-  
6 posal seeks to provide services in mul-  
7 tiple sites that include sites in more  
8 than 1 State.

9 “(II) The extent to which the  
10 proposal seeks to provide services in a  
11 labor market area or region that in-  
12 cludes portions of more than 1 State.

13 “(III) The extent to which the  
14 proposal seeks to provide transitional  
15 jobs in a State.

16 “(IV) The extent to which the  
17 applicant proposes to provide transi-  
18 tional jobs in either rural areas or  
19 areas where there are a high con-  
20 centration of residents with income  
21 that is less than the poverty line.

22 “(V) The effectiveness of the pro-  
23 posal in helping individuals who are  
24 least job ready move into unsubsidized



1 jobs that provide pathways to stable  
2 employment and livable wages.

3 “(ii) ELIGIBLE APPLICANTS.—In this  
4 paragraph, the term ‘eligible applicant’  
5 means—

6 “(I) a Workforce Investment  
7 Board for a local workforce area in a  
8 State;

9 “(II) a political subdivision of a  
10 State;

11 “(III) a State;

12 “(IV) an Indian tribe; or

13 “(V) a private entity.

14 “(iii) FUNDING.—Subject to subpara-  
15 graphs (F) and (G), of the amount appro-  
16 priated in subparagraph (H) for a fiscal  
17 year, \$25,000,000 of such amount shall be  
18 used to make grants under this paragraph  
19 for that fiscal year.

20 “(F) FUNDING FOR INDIAN TRIBES.—1.5  
21 percent of the amount appropriated in subpara-  
22 graph (H) for each fiscal year shall be reserved  
23 for grants to Indian tribes.

24 “(G) FUNDING FOR EVALUATIONS OF  
25 TRANSITIONAL JOBS PROGRAMS.—1.5 percent

1 of the amount appropriated in subparagraph  
2 (H) for each fiscal year shall be reserved for  
3 use by the Secretary to carry out subparagraph  
4 (I).

5 “(H) APPROPRIATIONS.—

6 “(i) IN GENERAL.—Out of any money  
7 in the Treasury of the United States not  
8 otherwise appropriated, there are appro-  
9 priated for grants under this paragraph,  
10 \$25,000,000 for each of fiscal years 2004  
11 through 2008.

12 “(ii) AVAILABILITY.—The amounts  
13 made available pursuant to clause (i) shall  
14 remain available for such period as is nec-  
15 essary to make the grants provided for in  
16 this paragraph.

17 “(I) EVALUATION OF TRANSITIONAL JOBS  
18 PROGRAMS.—The Secretary, in consultation  
19 with the Secretary of Labor—

20 “(i) shall develop a plan to evaluate  
21 the extent to which transitional jobs pro-  
22 grams funded under this paragraph have  
23 been effective in promoting sustained, un-  
24 subsidized employment for each group of  
25 eligible participants;

1 “(ii) may evaluate the use of such  
2 grants by such grantees/ as the Secretary  
3 deems appropriate, in accordance with an  
4 agreement entered into with the grantees  
5 after good-faith negotiations; and

6 “(iii) should include the following out-  
7 come measures in the plan developed under  
8 clause (i):

9 “(I) Placements in unsubsidized  
10 employment.

11 “(II) Placements in unsubsidized  
12 employment that last for at least 12  
13 months, and the extent to which indi-  
14 viduals are employed continuously for  
15 at least 12 months.

16 “(III) Earnings of individuals  
17 who obtain employment at the time of  
18 placement.

19 “(IV) Earnings of individuals 1  
20 year after placement.

21 “(V) The occupations and indus-  
22 tries in which wage growth and reten-  
23 tion performance is greatest.

24 “(VI) Average expenditures per  
25 participant.”.

1 **SEC. 410. GAO STUDY ON IMPACT OF BAN ON SSI BENEFITS**  
2 **FOR LEGAL IMMIGRANTS.**

3 (a) STUDY.—The Comptroller General of the United  
4 States shall conduct a study to determine the impact of  
5 the prohibition under section 402 of the Personal Respon-  
6 sibility and Work Opportunity Reconciliation Act of 1996  
7 (8 U.S.C. 1612) with respect to the eligibility of qualified  
8 aliens (as defined in section 431 of such Act (8 U.S.C.  
9 1641)) for benefits under the supplemental security in-  
10 come program under title XVI of the Social Security Act  
11 (42 U.S.C. 1381 et seq.), including supplementary pay-  
12 ments pursuant to an agreement for Federal administra-  
13 tion under section 1616(a) of such Act (42 U.S.C. 1382e)  
14 and payments pursuant to an agreement entered into  
15 under section 212(b) of Public Law 93–66.

16 (b) REPORT.—Not later than 1 year after the date  
17 of enactment of this Act, the Comptroller General shall  
18 submit a report to Congress on the study conducted under  
19 subsection (a) that includes such recommendations for leg-  
20 islative action as the Comptroller General determines ap-  
21 propriate.

22 **SEC. 411. ENSURING TANF FUNDS ARE NOT USED TO DIS-**  
23 **PLACE PUBLIC EMPLOYEES; APPLICATION**  
24 **OF WORKPLACE LAWS TO WELFARE RECIPI-**  
25 **ENTS.**

26 (a) WELFARE-TO-WORK WORKER PROTECTIONS.—

(1) IN GENERAL.—Section 403(a)(5)(I) (42 U.S.C. 603(a)(5)(I)) is amended—

(A) by striking clauses (i) and (iv);

(B) by redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively; and

(C) by inserting before clause (ii), the following:

“(i) NONDISPLACEMENT.—

“(I) IN GENERAL.—An adult in a family receiving assistance under a State program funded under this part, in order to engage in a work activity, shall not displace any employee or position (including partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) or fill any unfilled vacancy.

“(II) PROHIBITIONS.—A work activity engaged in under a program operated with funds provided under this paragraph shall not impair any existing contract for services, be inconsistent with any existing law, regulation, or collective bargaining agree-

1           ment, or infringe upon the recall  
2           rights or promotional opportunities of  
3           any worker.

4           “(III) NO SUPPLANTING OF  
5           OTHER HIRES.—A work activity en-  
6           gaged in under a program operated  
7           with funds provided under this para-  
8           graph shall be in addition to any ac-  
9           tivity that otherwise would be avail-  
10          able and shall not supplant the hiring  
11          of an employed worker not funded  
12          under such program.

13          “(IV) ENFORCING ANTIDIS-  
14          PLACEMENT PROTECTIONS.—

15               “(aa) IN GENERAL.—The  
16               State shall establish and main-  
17               tain an impartial grievance pro-  
18               cedure to resolve any complaints  
19               alleging violations of the require-  
20               ments of subclause (I), (II), or  
21               (III) within 60 days of receipt of  
22               the complaint and, if a decision is  
23               adverse to the party who filed  
24               such grievance or no decision has  
25               been reached, provide for the

1 completion of an arbitration pro-  
2 cedure within 75 days of receipt  
3 of the complaint or the adverse  
4 decision or conclusion of the 60-  
5 day period, whichever is earlier.

6 “(bb) APPEALS.—Appeals  
7 may be made to the Secretary  
8 who shall make a decision within  
9 75 days.

10 “(cc) REMEDIES.—Remedies  
11 for a violation of the require-  
12 ments of subclause (I), (II), or  
13 (III) shall include termination or  
14 suspension of payments, prohibi-  
15 tion of the placement of the par-  
16 ticipant, reinstatement of an em-  
17 ployee, and other relief to make  
18 an aggrieved employee whole.

19 “(dd) LIMITATION ON  
20 PLACEMENT.—If a grievance is  
21 filed regarding a proposed place-  
22 ment of a participant, such place-  
23 ment shall not be made unless  
24 such placement is consistent with

1 the resolution of the grievance  
 2 pursuant to this subclause.”.

3 (2) STATE PLAN REQUIREMENT.—Section  
 4 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended  
 5 by adding at the end the following:

6 “(vii) In the case of a State that re-  
 7 ceives a welfare-to-work grant under sec-  
 8 tion 403(a)(5), ensure compliance with the  
 9 nondisplacement requirements of subpara-  
 10 graph (I)(i) of that section.”.

11 (b) APPLICATION OF WORKPLACE LAWS TO WEL-  
 12 FARE RECIPIENTS.—Notwithstanding any other provision  
 13 of law, workplace laws, including the Fair Labor Stand-  
 14 ards Act of 1938 (29 U.S.C. 201 et seq.), the Occupa-  
 15 tional Safety and Health Act of 1970 (29 U.S.C. 651 et  
 16 seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C.  
 17 2000e et seq.), and the Americans with Disabilities Act  
 18 of 1990 (42 U.S.C. 12101 et seq.), shall apply to an indi-  
 19 vidual who is a recipient of assistance under the temporary  
 20 assistance to needy families program funded under part  
 21 A of title IV of the Social Security Act (42 U.S.C. 601  
 22 et seq.) in the same manner as such laws apply to other  
 23 workers. The fact that an individual who is a recipient  
 24 of assistance under the temporary assistance to needy  
 25 families program is participating in, or seeking to partici-



1 pate in work activities under that program in satisfaction  
 2 of the work activity requirements of the program, shall  
 3 not deprive the individual of the protection of any Federal,  
 4 State, or local workplace law.

5 **SEC. 412. DATA COLLECTION AND REPORTING.**

6 Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is  
 7 amended in the matter preceding clause (i), by striking  
 8 “(except for information relating to activities carried out  
 9 under section 403(a)(5))” and inserting “(and in com-  
 10 plying with this requirement, the Secretary shall require  
 11 not more than 10 States to ensure that the following case  
 12 record information is reported in a manner that permits  
 13 analysis of such information by race, ethnicity or national  
 14 origin, primary language, gender, and educational level,  
 15 including analysis using a combination of these factors,  
 16 and shall submit an annual report to Congress containing  
 17 such data)”.

18 **TITLE V—MISCELLANEOUS**

19 **SEC. 501. EFFECTIVE DATE.**

20 (a) IN GENERAL.—Except as otherwise provided, the  
 21 amendments made by this Act shall take effect on the date  
 22 of enactment of this Act, and shall apply to payments  
 23 under parts A and D of title IV of the Social Security  
 24 Act for calendar quarters beginning on or after such date,

1 without regard to whether regulations to implement the  
2 amendments are promulgated by such date.

3 (b) DELAY PERMITTED IF STATE LEGISLATION RE-  
4 QUIRED.—In the case of a State plan under section 402(a)  
5 or 454 of the Social Security Act (42 U.S.C. 602(a), 654)  
6 which the Secretary of Health and Human Services deter-  
7 mines requires State legislation (other than legislation ap-  
8 propriating funds) in order for the plan to meet the addi-  
9 tional requirements imposed by the amendments made by  
10 this Act, the State plan shall not be regarded as failing  
11 to comply with the requirements of such section 402(a)  
12 or 454 solely on the basis of the failure of the plan to  
13 meet such additional requirements before the 1st day of  
14 the 1st calendar quarter beginning after the close of the  
15 1st regular session of the State legislature that begins  
16 after the date of enactment of this Act. For purposes of  
17 the previous sentence, in the case of a State that has a  
18 2-year legislative session, each year of such session shall  
19 be deemed to be a separate regular session of the State  
20 legislature.

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